AMP

Annual report
2022

Helping people create their tomorrow

Contents

This is an interactive PDF designed to enhance your experience. The best way to view this report is with Adobe Reader. Click on the links on the contents pages or use the home button in the footer to navigate the report.

About this report

We take our reporting obligations seriously and we provide concise and up-to-date information about your company at amp.com.au/shares. AMP's Corporate governance statement, dated 16 February 2023 is available on our website at amp.com.au/corporategovernance.

The Directors' report, Financial report and the Independent Auditor's report are dated and current as at 16 February 2023.

Unless otherwise specified, all amounts are in Australian dollars.

AMP Limited ABN 49 079 354 519.

Authorised for release by the AMP Limited Board.

Acknowledgement of Country

AMP acknowledges all First Nations Peoples across Australia. We recognise the Traditional Custodians of the land and value the connection to Country, waterways and sky. We pay our respects to the Elders for their resilience, courage and wisdom; for ensuring the survival of this country's rich culture and heritage. Our hope for the future is to unite as one people, to listen and learn from each other with respect and walk the path to reconciliation together.

We continue to transform AMP, building on its 174-year heritage of supporting customers to live financially well, and to meet their needs today and into the future.

We have made strong progress in our strategy to become a simpler, purpose-led business in Australia and New Zealand.

2022 highlights

Financial performance

Net profit after tax (NPAT) (underlying)

$184m

Total assets under management (AUM) and administration

$149b

Group surplus capital of

$923m

Growth in residential mortgage book

$2.0b

Controllable cost reduction (excluding AMP Capital discontinued operations)

$54m

Increase in platform cashflows from independent financial advisers

31%

Business progress

Reposition

Launched first of its kind retirement offering and drove growth in AMP Bank through competitive offers and digital first experiences

Simplified portfolio

Agreed transactions to sell AMP Capital, positioning the new AMP for future growth

Explore

Launched partnerships with innovative fintechs to develop direct-to-consumer offerings in key markets

Our customers

$2.0b

pension payments for Australian customers in retirement

Supporting

2,100+

members with free, intra-fund advice on their superannuation and

4,900+

members through education webinars with employer clients

Helped customers with their banking needs

~188,000

New home loans AMP Bank provided

9,290

Our shareholders

455,000+

Total shareholders

Committed return of capital to shareholders of

$1.1b

including

$350m

via an on-market share buyback, with $267m complete at 31 December 2022

FY 22 final dividend declared, 20% franked, of

2.5 cents

per share

People and partners

Employee satisfaction (eSat score)

73

Up from 71 at FY 21

6,277

hours employee learning and development

40:40:20

Gender diversity targets met across board, middle management and overall workforce

100%

of aligned advisers completed Financial Adviser exam requirements

Communities and environment

A-

rating from Carbon Disclosure project (CDP),

Second highest rating available

75%

reduction in operational Scope 1 and 2 emissions (from 2019 base year)

+30

ESG focused investment options added to our flagship investment platform, MyNorth

$1m

donated by the AMP Foundation Tomorrow Maker Program

Chair message

Transforming AMP Purpose led and customer focused

I am pleased to present the AMP Limited Annual report for 2022.

It has been a year of substantial progress as we transform AMP into a customer-focused and purpose-led business. The strength and reliability of AMP has proved to be important as we supported our customers and the community through another challenging period, marked by rising interest rates and cost of living, ongoing impacts of the pandemic, and damaging floods in many parts of Australia.

I'm proud of the role AMP plays during these times, reflecting our founding purpose more than 170 years ago to be a sure friend in uncertain times. Our refreshed purpose statement today – helping people create their tomorrow – continues our legacy to support and build the financial wellbeing of Australians and New Zealanders.

The transformation of AMP continues at pace, and the achievements of 2022 are reflected in the delivery of focused strategic initiatives in retirement and banking, and stable financial performance across the business. An improvement in AMP's share price, increasing 30.2 per cent in 2022, is a positive sign the actions we're taking are rebuilding and transforming AMP for the benefit of all our stakeholders.

Financial performance

In 2022, AMP delivered an underlying net profit of $184 million supported by strong growth in AMP Bank, continued momentum in the Platforms business and a significant reduction in losses in our Advice business as we reshape it for the future.

This net profit is lower than the $280 million of 2021, however is in line with our expectations reflecting the challenging economic environment, as well as management's long-term strategic repricing of products and services to remain competitive, helping to retain and attract customers. AMP's statutory net profit for the year was $387 million, which includes the gain from the sale of the AMP Capital infrastructure debt platform in February 2022.

Our business units delivered resilient performances in challenging markets. AMP Bank's residential mortgage book grew by $2.0 billion, supported by our focus on competitive rates and faster loan approval times for customers and mortgage brokers, in addition to a loan book acquisition.

The North platform has continued to win more cashflows from independent financial advisers, a key growth market, increasing 31 per cent on FY 21 to $1.7 billion.

The Advice business has been materially reshaped, reflected in losses in the business improving by $78 million. There is more work to do for Advice to operate as a standalone, sustainable business but the progress is pleasing.

The Master Trust and New Zealand businesses continue to perform in line with our expectations, contributing $55 million and $32 million, respectively, to underlying net profit.

Further detail on performance in 2022 is included in the *Business review* section of this report.

Return of capital and dividends

AMP remains well-capitalised and has a strong balance sheet, which enabled us in August 2022 to confirm a return of capital to shareholders of $1.1 billion subject to completion of the AMP Capital transactions, and any required shareholder and regulatory approvals. This included the immediate commencement of a $350 million on-market share buyback, of which $267 million is already complete.

As part of our commitment around capital returns, AMP will return a further $400 million via a FY 22 final dividend of 2.5 cents per share, franked at 20%, and other capital management initiatives in 2023. A further $350 million of capital management initiatives will be announced following completion of the remaining AMP Capital transaction.

Portfolio simplification

In November 2021, shortly after the appointment of CEO Alexis George, AMP articulated a clear strategy to continue to simplify its portfolio and reposition core businesses in wealth management and retail banking to better compete, whilst also exploring longer-term opportunities for growth.

As part of the portfolio simplification, in April 2022 we announced two agreements to sell the AMP Capital infrastructure and real estate businesses rather than pursue a demerger. The Board determined that the transactions would deliver greater value and certainty for shareholders, accelerate the realisation of that value, and provide stability for AMP Capital's clients and employees.

The sale and transfer of the international infrastructure equity business to DigitalBridge completed in early February 2023. AMP continues to work on the final steps to complete the transfer of the real estate and domestic infrastructure equity business, which will mark the full divestment of the separated AMP Capital business.

Governance

The AMP Limited Board remains committed to best-practice governance as we guide AMP through the next stage of its transformation. I would like to thank all AMP board directors and management for their dedication to this important challenge.

In addition to providing oversight of strategic and risk management matters, as a board we have continued to be actively engaged in AMP's cultural transformation during 2022. I'm proud of the changes AMP has made in a relatively short space of time and I am very pleased by the energy and excitement I see across the organisation to continue fostering an inclusive and empowering culture.

Central to AMP's cultural transformation was the launch of the organisation's new purpose statement – helping people create their tomorrow – which is underpinned by five values that put the customer first and support a high performing, accountable and inclusive team. You'll see the purpose and values referenced throughout this Annual report.

As Chair, I am very conscious of the critical need for the board to have the appropriate mix of skills and experience to provide quality oversight of AMP's transformation while also retaining corporate knowledge. I'm very confident in the diverse range of experience and insights of AMP's highly committed board.

In July 2022, we welcomed Andrew Best as an independent non-executive director to the AMP Limited Board, bringing more than three decades of domestic and international investment banking and financial markets experience. Andrew will stand for election at the AGM in March 2023.

Community and sustainability

Grounded in AMP's purpose, the board is committed to creating a sustainable and more equitable future for all our stakeholders – one that has shared value for our customers and members, shareholders, employees, and the community and environment.

Our approach is articulated through AMP's sustainability framework, which is updated annually through a comprehensive consultation process to ensure we focus on the most material sustainability issues that impact our business and society. AMP's sustainability performance is detailed in the annual *Sustainability report*, which is prepared in accordance with leading disclosure frameworks.

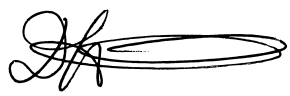
In 2022, AMP continued to deliver strengthened performance across a range of external ESG benchmarks. This includes maintaining its 'Prime' rating by ISS ESG, which is only awarded to companies with ESG performance above sector specific thresholds. AMP is also now included in the Dow Jones Sustainability Australia Index, which represents the top 30% of the ASX 200 that lead the field in sustainability.

As part of our focus to support the financial wellbeing of Australians, through the AMP Foundation, we support a number of non-profit organisations that help disadvantaged Australians build financial security. Since its inception in 1992, the AMP Foundation has contributed more than $110 million in the Australian community to help create positive change. The AMP Foundation continues to grow as one of Australia's largest, independently funded corporate foundations.

Looking forward

We have now made significant strides in the simplification and stabilisation of AMP. Following completion of the remaining AMP Capital sale, we will enter the next era for AMP as a simpler, customer-focused, purpose-led wealth management and retail banking business in Australia and New Zealand.

We remain committed to the continuous improvement of AMP's financial performance and to delivering enduring value to shareholders and all stakeholders. On behalf of the AMP Limited Board, thank you for your ongoing support as we continue to transform AMP.



Debra Hazelton
Chair, AMP Limited

CEO update

The journey to a simpler AMP

Q&A with Alexis George

Q: When you look back on 2022, what are you most proud of?

A: I am proud of what we have been able to achieve in 2022. Top of the list has been the renewed energy in the organisation, supported by AMP's new purpose – helping people create their tomorrow. It reinforces how we put the customer at the centre of everything we do, and has galvanised our people around our purpose-led, customer-focused strategy.

During the year, we strengthened the management and executive team with several new appointments. The team is well positioned to deliver on our transformative strategy and continue fostering a strong, accountable and inclusive culture.

The energy and focus across the organisation have helped us achieve key milestones in our three-year strategy to simplify AMP's portfolio, reposition our core businesses in retail banking and wealth management to better compete, and begin exploring opportunities for long-term sustainable growth.

Q: How did AMP's businesses perform?

A: We remain a profitable business with a strong balance sheet, delivering an underlying net profit after tax of A$184 million for the year. Our profit reflects the challenging economic environment we are facing, as well as strategic repricing in the wealth management businesses. While the Bank experienced good growth during the year, profits were impacted by the competitive environment from a funding and lending perspective.

Our key growth businesses – AMP Bank and Platforms – continue to perform and reflect the investments we're making in our offerings. AMP Bank grew its loan book at 1.8x system, through organic and inorganic growth, and our North platform is increasing the percentage of flows from the independent financial adviser market. We've made good progress in our financial advice business, with losses halved to A$68 million as we continue to reposition the business.

In our Master Trust superannuation offering, we have simplified our product set, reduced fees and significantly improved investment performance, however this sector continues to experience challenging operating conditions. Our New Zealand business continues to deliver a stable performance.

It has been a challenging period for AMP Capital as the business prepared for the separation and transition to new owners. However, I'm proud of the way the teams have continued to deliver for our clients during this time. The imminent completion of the transactions will provide stability and certainty for all stakeholders.

Q: How is AMP growing its relationships with customers?

A: AMP's customer-focused strategy seeks to meet our customers' needs around some of the key aspects of their financial wellbeing, particularly the important areas of home ownership and retirement savings.

During the year AMP Bank helped 9,290 customers to buy their own home, and we have invested in new digital capabilities to make the home loan approval process easier and quicker for customers and mortgage brokers.

In Australian Wealth Management, we launched an innovative retirement solution on the North platform that provides the highest levels of lifetime income in the market. This gives retirees peace of mind around the 'fear of running out' in retirement, and is another important way we support our customers in these critical areas of their financial wellbeing.

Q: How is AMP adapting to industry disruption?

A: Change is constant, so we must continually innovate to meet the changing needs of customers. This innovation mindset has enabled us to bring to market some exciting solutions that will support our customers around the two biggest assets most Australians will ever own – their home and their retirement savings. In 2022, as promised, we launched our digital mortgage, as well as a unique retirement income solution, demonstrating that we can be truly innovative.

Financial advice continues to be a highly regulated and challenged industry. However with the recent Quality of Advice Review, I'm confident we're heading in the right direction to make financial advice affordable and accessible for more Australians. We will continue to focus on ensuring that our model for advice is competitive and sustainable, as we know that people who receive quality advice have better financial outcomes.

Q: How is the simplification of the business progressing?

A: In November 2021 we set out a clear plan to simplify AMP's business and I'm pleased to say that we are making good progress on delivering on that plan.

Over the past 18 months, we agreed and completed a number of asset sales, including the AMP Capital business and the remaining stake in Resolution Life Australia, to simplify our portfolio. We completed the sale of the international infrastructure equity business to DigitalBridge in February 2023, and we have one outstanding regulatory approval required in China to complete the sale of the real estate and domestic infrastructure equity business to Dexus.

In August 2022 we announced a capital return of $1.1 billion to shareholders, and as part of that we have announced a FY 22 final dividend of 2.5 cents per share. Returning capital to shareholders remains one of our key strategic priorities for 2023.

As we continue to execute on our strategic plan, I am pleased that our progress during 2022 has been reflected in more stability and growth in AMP's share price.

Q: What's your vision for AMP?

A: My vision is for AMP to be a purpose-driven and leading retail banking and wealth management business. Guided by our purpose, we see considerable opportunity to support customers in new and innovative ways around retirement. Our brand remains iconic and is intertwined with Australian history and I see this as being a strong differentiator for AMP. We have launched first-to-market retirement solutions, including our new lifetime income account, which gives us a strong foundation for future growth and the opportunity to be a leader in this space.

Q: What are your priorities for the coming year?

A: The management team is committed to building on the foundations we've put in place during 2022, to build pride in AMP for our shareholders, employees, customers and the community.

We are delivering on our strategy on the path to a new AMP, and have defined our priorities for the year ahead. We will be focused on returning capital to shareholders, growing IFA flows in our Platforms business, controlling costs, supporting new growth opportunities particularly through strategic partnerships, growing AMP Bank, and continuing to strengthen our culture and brand. These critical parts of our strategy will deliver a business that is robust, growing and delivers long-term value to shareholders.

We are committed to delivering on AMP's transformation, and I thank shareholders for their continued support as we execute on our strategy. I'm excited by what we will achieve in 2023.

Alexis

Alexis George
AMP Chief Executive Officer

Our purpose

Helping people create their tomorrow

AMP's new purpose brings to life the way we help customers build their financial wellbeing and achieve their goals – no matter how small.

Offering services in financial advice and superannuation, retirement income, banking and investment products, we are committed to helping people create their tomorrow.

AMP Limited supports its customers through key businesses and strategic partnerships.

AMP Bank

Providing customers with home loans, deposit and transaction accounts in Australia.

Australian Wealth Management

Comprising three business lines providing advice, superannuation (Master Trust), and investment management platforms to customers.

New Zealand Wealth Management

Supporting customers with super, retirement, financial advice and general insurance, directly and through one of the largest networks of financial advisers in New Zealand.

Strategic partnerships

Leveraging partnerships to expand capabilities and meet customer and market demands.

Quay Quarter Tower

The Sydney Quay Quarter Tower (QQT) building, AMP's new headquarters and next door to its former office in Circular Quay, was developed with a repurposed core, saving approximately 8,000 tonnes of embodied carbon and is powered by 100% renewable electricity. It has been awarded a 6 Star Green Star – Office Design v3 rating from the Green Building Council of Australia.

Photo: Adam Mørk

How we create value

Our enablers

Respect risk

Embed appropriate governance structures to maintain robust risk culture

Brand, reputation and ESG

Driving consistent delivery of positive outcomes for our stakeholders: shareholders, customers, people and communities

Digital and data

Leveraging digital and data to better understand and serve our customers

Purpose and culture

Helping people create their tomorrow

Our business areas

AMP's five values underpin our purpose and drive the actions of employees to deliver for our customers

Put customers first — Own it — Be brave — Play as one team —

Do the right thing

The value we create

For shareholders

30%
FY 22 share price uplift

$1.1b
capital return committed

For customers

$2.0b
pension payments

9,290
mortgages to help more Australians own their own home

For our people

4,300+
employees across Australia and New Zealand

40:40:20
gender diversity targets met across board, middle management and overall workforce

For our communities

$1m
donated by AMP Foundation Tomorrow Maker program

10
years carbon neutral across all operations

Strategy

The path to a new AMP

AMP set out its strategic growth plans for 2022–2024 on 30 November 2021.

Since then, AMP has been focused on delivering on this strategy by repositioning its core capabilities in wealth management and banking, simplifying the organisation, and exploring opportunities for growth.

Reposition

Invest to grow AMP Bank

Drive profitable growth through digital and technology investment, and expand into natural adjacencies. Offering mortgage and deposit solutions that address customer needs, underpinned by great customer service.

Grow the North platform, building new relationships with IFAs

Grow AMP's flagship North platform by enhancing offerings and digital functionality to support aligned and independent advisers and their clients. Differentiate AMP through leading retirement and investment solutions.

Continue the transformation of Advice

Simplify the Advice model, delivering valued licensee services at a competitive and sustainable price, and improve efficiency in AMP's operations.

FY 23 focus

- return capital to shareholders
- drive operational efficiency
- grow AMP Bank
- grow IFA flows in North
- support new growth opportunities
- build on brand and culture

Simplify

Finalise sale transactions

Execute the AMP Capital sales, delivering a simplified business.

Right-size the operating model for agility and efficiency

Reflect AMP's simplified portfolio and ensure that the business is operating efficiently.

Continue to review the portfolio of assets to ensure AMP is the right owner

Ensure that the business is well positioned for the future, and that the portfolio is strategically aligned.

Enhance shareholder value

Focus on disciplined capital management to deliver shareholder value.

Explore

Establish direct-to-consumer solutions in select areas

Diversify the channels of existing growth businesses and identify new business model opportunities within targeted market segments.

Develop leading position in retirement

Build best-in-class retirement offerings to meet the unaddressed needs of Australians transitioning from the workforce into retirement, including through AMP's platforms strategy.

Explore adjacent new business models

Explore organic and inorganic opportunities for expansion, including partnership opportunities with fintechs to achieve better outcomes for AMP's customers and shareholders.

Sustainability overview

AMP has a long tradition of serving the communities we operate in. Today that is reflected in our purpose, helping people create their tomorrow. Living this purpose means we are committed to creating a sustainable and equitable future for our customers, people, partners, communities and shareholders.

Customers

Consistent with AMP's purpose, supporting the financial wellbeing of our customers is key to our sustainable success. AMP achieves this through measures to address financial capability, services to build wealth in retirement and manage through periods of vulnerability.

As a customer-led business, we are committed to providing high-quality products and services that create value for customers, including managing complaints and responding to customer feedback.

AMP responds to digital disruption in financial services and embraces opportunities to deliver personalised and proactive digital customer experiences. This includes managing and maintaining security processes to protect customer data.

Financial Wellness research

AMP's 2022 Financial Wellness research shows the number of workers severely stressed about their finances is at record highs, having almost doubled since 2020.

In 2022, our Member Education teams had more than 4,900 attendees to our webinars and more than 3,400 one-on-one meetings with members across our employer and retail members. Meetings covered topics such as investment options, making additional contributions, understanding insurance in super and accessing super in retirement.

People and partners

AMP seeks to leverage its purpose, culture, values and controls to build trust in AMP and the financial services sector. This includes ensuring our employees and advisers act ethically, and quickly resolve issues to a high professional standard.

AMP is committed to attracting, developing and retaining the skills and talent of our people and advisers, which is key to AMP's ability to create value for customers and shareholders. This includes diversity and inclusion, health and wellbeing, and employee attraction and retention.

As part of AMP's commitment to its partners and supply chains, we support our advice network and intermediary network in delivery of service excellence to customers. This includes how we manage our key service provider relationships and risks of modern slavery in our supply chain.

Respect@Work website

AMP played a significant role in the development of the Respect@Work website, which is an initiative of the Australian Human Rights Commission (AHRC) and the Respect@Work Council. The online resource for Australian businesses was created in response to recommendations of the National Enquiry into Sexual Harassment in Australian workplaces. The Respect@Work website was launched in November 2022 and is the first website of its kind in Australia.

Communities and environment

AMP's commitment to communities is about doing the right thing and investing in our communities for a more sustainable and equitable future.

AMP is committed to responsible investment. We believe that attention to environmental, social and governance (ESG) considerations improves long-term financial outcomes and creates a sustainable and equitable future for everyone in our community.

Climate change presents a range of physical, financial and legal risks to our business, the investments we manage on behalf of our customers, and the wider community, and AMP manages these risks. This includes leveraging our influence as a global investor and how we reduce the impact of our business activities.

Through its commitment to community investment, AMP creates value for communities through philanthropic activities and engages employees with fundraising and volunteering opportunities.

More information on AMP's sustainability performance across these key focus areas is detailed in the 2022 Sustainability report.

The AMP Foundation

The AMP Foundation is one of the nation's oldest and largest corporate foundations. As the independently funded philanthropic arm of AMP, the Foundation has committed to investing in the wellbeing of individuals, families, communities and society. Since 1992, the AMP has invested close to $110 million in the Australian community to help create positive change.

Managing our key risks

Risk is inherent to our business and AMP takes measured risks within our risk appetite to achieve our strategic objectives. AMP has a clear strategic plan to drive our business forward and an Enterprise Risk Management framework to identify, measure, control and report risks.

Enterprise risk management framework

Effective risk management is fundamental to understanding and responding to changes in our operating environment, enabling us to achieve our purpose and strategic objectives. Risk management is a responsibility of all AMP employees, and is reflected in many of our values – own it, be brave, do the right thing, and put customers first.

AMP's risk management framework provides the foundation for how risks are managed across AMP and enables AMP to meet its legislative and regulatory requirements, codes and ethical standards, as well as internal policies and procedures. It includes the following key components:

- **Group strategy and business plans**
- **Risk management strategy**
- **Risk appetite statement**
- **Supporting policies and practices**

By establishing the principles, requirements, roles and responsibilities for management of risk across AMP, the framework ensures all employees have clarity on how risks are to be managed to fulfil the obligations to key stakeholders, including customers, shareholders and regulators.

The risk appetite statement articulates the level of risk the board is willing to accept to ensure the effective delivery of AMP's strategic objectives. There is clear alignment between AMP's corporate strategy and the risk appetite of the AMP Limited Board, to ensure that decisions made are consistent with the nature and level of risk the board and management are willing to accept.

Key business challenges

AMP is focused on delivering its transformational strategy, and in doing so remains conscious of various challenges affecting the financial services industry. These include, but are not limited to, the following (listed in alphabetical order):

Business, employee and business partner conduct

The conduct of financial institutions continues to be an area of significant focus for the financial services industry, both globally and in Australia and New Zealand. AMP devotes significant effort to ensure that our business practices, management, staff or business partner behaviours adequately meet the expectations of regulators, customers and the broader community, and do not result in an adverse impact on our customer outcomes, AMP's reputation, or our value proposition to customers.

Our Code of Conduct outlines how AMP seeks to conduct its business and how it expects board members, leaders employees and contractors to conduct themselves. The principles that define the high standards outline the behaviour and decision-making practices, including how we treat our employees, customers, business partners and shareholders. We are committed to ensuring the right culture is embedded in our everyday practices.

AMP embraces a safe and respectful work environment that encourages our people to report issues or concerns in the workplace. Directors, employees (current and former), contractors, service providers or any relative or dependents of any of these people can utilise AMP's whistleblowing program to report conduct or unethical behaviours.

Climate change

AMP, its customers and its external suppliers may be adversely affected by physical and transition risks associated with climate change. These effects may directly impact AMP and its customers on a range of physical, financial and legal risks to our business, the investments we manage on behalf of our customers and the wider community.

Initiatives to mitigate or respond to adverse impacts of climate change may in turn impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes.

AMP's approach to managing climate-related risks and opportunities is detailed in AMP's annual Sustainability report. It includes providing low carbon investment choices to customers, managing and disclosing investment risks, leveraging our influence as an investor, reducing our own operational impacts and supporting customers and communities where possible.

AMP provides annual performance disclosures aligned to key pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework, including through its Sustainability report and through investor led disclosures such as the CDP (formerly Carbon Disclosure Project). In 2022, AMP retained an A- Leadership rating (second highest rating available) in the annual CDP investor disclosure program, indicating leadership in our management of climate related risks and opportunities. AMP has been carbon neutral across its operations since 2013 to address the direct impacts of our business activities.

Material risks

Competitor and customer environment

The financial services industry, as well as the community in Australia and New Zealand more broadly, have faced various challenges throughout 2022, including natural disasters, economic uncertainty, and rising interest rates. Throughout the year AMP supported customers in a number of ways, including activating AMP's disaster relief assistance program to provide support for customers affected by flooding.

Customer expectations are evolving which is intensifying competition within banking and wealth management. Furthermore, as economic uncertainty prevails, it is affecting the performance of assets under management across the industry. AMP continues to adapt its capabilities and operating model in order to remain competitive and relevant to customers.

In 2022, AMP continued to deliver on its strategy to reposition AMP as a simpler, purpose-led, customer-focused business in its core markets of banking and wealth management. Solid progress was made on this strategy during 2022, with notable developments including the launch of AMP's fully digital mortgage, and a first-to-market retirement solution.

Cyber security threats

Cyber risk remains a threat in a rapidly changing technological environment. AMP is committed to continually uplifting its cyber resilience through preventing, detecting, and responding to cyber incidents, in order to protect AMP's reputation, assets and business operations.

AMP continues to invest in enhancing its cyber security capability so that it is both sustainable and commensurate to the threats faced. AMP's Cyber Defence Centre, launched in 2021 uses industry best practices, advanced technologies and intelligence sharing arrangements with Australian Government and industry entities to uplift AMP's cyber defenses, enhance situational awareness and mitigate malicious threats. The AMP Cyber Team broadened its reach to include financial advisers with the creation of a dedicated cyber policy, improved training materials, and awareness campaigns, including presentations at Professional Development days. While AMP continues to demonstrate maturity uplifts against the National Institute of Standards and Technology (NIST) Cyber Security Framework and improve its overall control effectiveness, cyber security threats remain a key risk to the business given the evolving nature of the threat.

Operational risk environment

Operational risk exposures for AMP relate to losses resulting from inadequate or failed internal processes, people and systems or from external events. These include, but are not limited to, information technology, human resources, internal and external fraud, money laundering and counter-terrorism financing, bribery and corruption. High operational risks are the result of a complex operating environment associated with legacy products, systems and, in some cases, manual controls. This environment will be further stressed by the other key business challenges included in this section.

Employee retention and key person risk are key operational risks for AMP, and these are currently elevated across financial services as a whole due to low unemployment and a competitive talent market. We are committed to mitigating operational risk by reducing operational complexity and strengthening risk management, internal controls and governance. We have completed all file reviews for our client remediation program and we continue reshaping the adviser network and simplifying superannuation products and investment options.

The AMP operational risk profile reflects these exposures and the financial statements of AMP contain certain provisions and contingent liability disclosures for these risks in accordance with applicable accounting standards.

Organisational change

Changes were made throughout the year to simplify the operating model of the ongoing business. In 2022, AMP announced the sale of AMP Capital's real estate, domestic infrastructure equity and international infrastructure equity businesses.

There is always a risk that business momentum is lost while organisational change is implemented. There is a risk that the extended period of change may have an adverse impact to employees causing a strain to deliver on our strategy and transformation initiatives. These risks will be mitigated by maintaining leadership and performance focus on the business.

AMP continues to invest in adopting new ways of working to drive efficiency and improve its practices to increase accountability and build on core strengths. We recognise that failure to execute appropriately on the implementation of these changes can increase the risks of disruption to AMP's business operations.

Regulatory environment

AMP operates in multiple jurisdictions, and each of these jurisdictions has its own legislative and regulatory requirements, as well as anticipated upcoming changes to these requirements.

AMP continues to respond and adjust its business processes for any changes. However, failure to adequately anticipate and respond to future regulatory changes could have a material adverse impact on the performance of its businesses and achieving its strategic objectives. AMP's commitment to strengthening its risk management practices, its control environment and enhancing its compliance systems across its businesses, will address these legislative and regulatory requirements. AMP's internal policies, frameworks and procedures seek to ensure any changes in our domestic and international regulatory obligations are complied with in each jurisdiction. Compliance, legal and regulatory risk that results in breaches is reported to AMP management committees and regulators. This is managed in accordance with internal policies.

Regulatory consultations and interactions are reported and monitored as part of AMP's internal risk and compliance reporting process. AMP actively participates in these interactions and cooperates with all regulators to resolve such matters.

More information about our approach to these risks can be found on our website at:

corporate.amp.com.au/about-amp/corporate-sustainability

Significant changes to the state of affairs

Apart from as elsewhere disclosed in this report, there were no other significant changes in the state of affairs during the year.

Our approach to governance

The Board oversees AMP as it continues its transformation, building on its 174-year heritage of supporting customers to live financially well. This transformation is supported by AMP's new purpose and values.

In November 2021 AMP outlined its strategic path, with a streamlined portfolio and a customer-driven approach. This strategy is underpinned by four key enablers: purpose and culture; brand, reputation and environmental, social and governance; digital and data capability; and respect risk.

As the Board oversees AMP's progress against this strategy, the Board's commitment to governance was demonstrated in a number of key areas in 2022:

Purpose and values

AMP recommitted to being a purpose-led organisation. AMP's new purpose statement "Helping people create their tomorrow" is AMP's commitment to delivering value to all stakeholders. AMP's values help bring this purpose to life and provide a simple and clear set of expectations for all employees.

Reshaping Board Committee structure and establishment of Advisory groups

As AMP's transformation initiatives stabilised, and in line with stakeholder feedback, AMP completed a comprehensive review of its board committees structure resulting in the reduction of committee members for certain of its committees.

AMP's board also established two advisory groups for an initial six-month period to support and promote AMP's key strategic enablers. These board advisory groups are tasked to conduct workshops and deep dives with management with their key focus on ESG & sustainability and technology transformation.

These changes were effected on 1 October 2022 and resulted in a further reduction in the total amount of fees paid to directors from that date, continuing the progressive reduction in aggregate director fees since 2019 by a total of 40.4%.

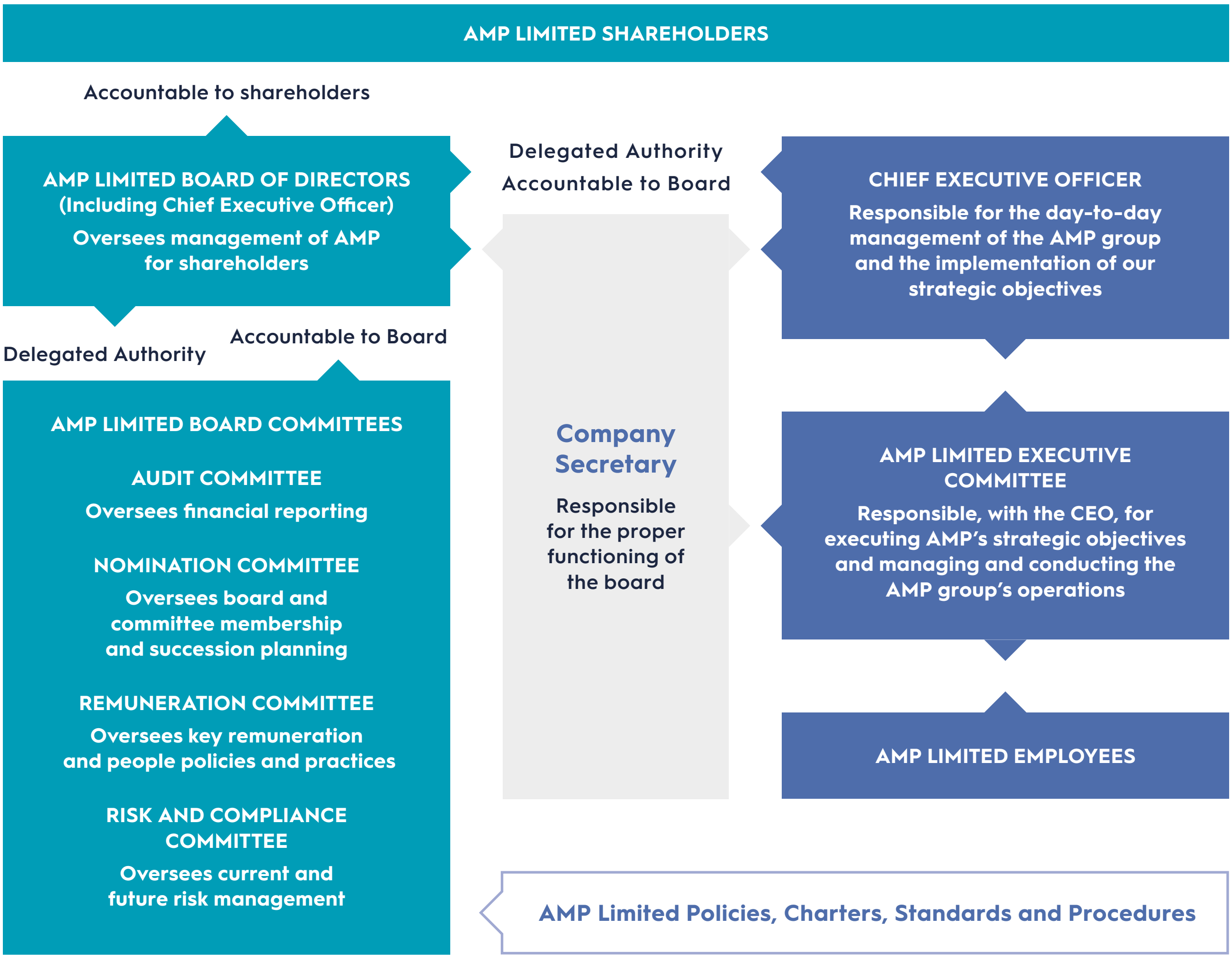
Board appointment

AMP continued to ensure its board has a mix of skills, background and experience relevant to AMP's continuing transformation, appointing Andrew Best as a new independent non-executive director in July 2022 who brings to the board valuable insights in capital management, financial markets and mergers and acquisition.

To read more about AMP's approach to corporate governance, please see the 2022 Corporate governance statement.

Corporate Governance framework

AMP's governance framework provides clear separation of the board's oversight functions and the executive responsibilities and accountability of the CEO and AMP's leadership team, the executive committee (ExCo). This framework is supported by internal policies, charters, standards and procedures which facilitate this separation of responsibilities. An overview of AMP's corporate governance framework is depicted below.



From time to time, additional board committees, working or advisory groups are established, or a board member is appointed as the board's representative on management steering committees. In 2022, the board established two advisory groups for an initial six-month program, an ESG & sustainability advisory group and a Technology transformation advisory group, to enhance the board's insight into these key strategic enablers.

Business review

Group financial performance

Profit and loss (A$m)	FY 22	2H 22	1H 22	FY 21	% FY
Revenue					
AUM based revenue	**843**	394	449	1,062	(20.6)
Net interest income	**382**	206	176	399	(4.3)
Other revenue	**153**	71	82	164	(6.7)
Total revenue	**1,378**	671	707	1,625	(15.2)
Variable costs					
– Investment management expense	**(174)**	(74)	(100)	(237)	26.6
– Marketing and distribution	**(20)**	(10)	(10)	(22)	9.1
– Brokerage and commissions	**(80)**	(40)	(40)	(71)	(12.7)
– Loan impairment expense	**(3)**	(3)	–	26	n/a
– Other variable costs	**(82)**	(42)	(40)	(138)	40.6
Total variable costs	**(359)**	(169)	(190)	(442)	18.8
Gross profit	**1,019**	502	517	1,183	(13.9)
Controllable costs					
– Employee costs	**(353)**	(182)	(171)	(387)	8.8
– Technology	**(150)**	(80)	(70)	(138)	(8.7)
– Regulatory, insurance and professional services	**(89)**	(52)	(37)	(101)	11.9
– Project costs	**(119)**	(59)	(60)	(142)	16.2
– Property costs	**(45)**	(24)	(21)	(42)	(7.1)
– Other operating expenses	**(35)**	(16)	(19)	(35)	–
Total controllable costs	**(791)**	(413)	(378)	(845)	6.4
EBIT	**228**	89	139	338	(32.5)
Interest expense	**(63)**	(39)	(24)	(66)	4.5
Investment income	**71**	37	34	102	(30.4)
Tax expense	**(52)**	(20)	(32)	(94)	44.7
NPAT (underlying)	**184**	67	117	280	(34.3)
– AMP Bank	**103**	57	46	153	(32.7)
– Australian Wealth Management	**50**	14	36	89	(43.8)
– New Zealand Wealth Management	**32**	15	17	39	(17.9)
– AMP Capital continuing operations	**41**	15	26	37	10.8
– Group office	**(42)**	(34)	(8)	(38)	(10.5)
NPAT (underlying) by business unit	**184**	67	117	280	(34.3)
Items reported below NPAT	**152**	(181)	333	(608)	n/a
AMP Capital discontinued operations	**51**	20	31	76	(32.9)
NPAT (statutory)	**387**	(94)	481	(252)	n/a

Please refer to FY 22 Investor report.

	FY 22	2H 22	1H 22	FY 21
Earnings				
EPS – underlying (cps)	**5.7**	2.1	3.6	8.4
EPS – actual (cps)	**12.0**	(3.0)	14.7	(7.6)
RoE – underlying	**4.6%**	3.1%	5.6%	6.9%
RoE – actual	**9.7%**	(4.4%)	23.0%	(6.2%)
Dividend				
Dividend per share (cps)	**2.5**	2.5	–	–
Franking rate	**20%**	20%	–	–
Ordinary shares on issue (m)	**3,043**	3,043	3,266	3,266
Weighted average number of shares on issue (m) – basic	**3,215**	3,164	3,266	3,337
– fully diluted	**3,266**	3,214	3,312	3,384
– statutory	**3,213**	3,162	3,264	3,335
Share price for the period – closing (A$) – low	**0.87**	0.96	0.87	0.91
– high	**1.40**	1.40	1.21	1.62
Market capitalisation – end period (A$m)	**4,002**	4,002	3,135	3,299
Capital and corporate debt				
AMP shareholder equity (A$m)	**4,077**	4,077	4,479	3,874
Corporate debt (A$m)	**1,078**	1,078	1,431	1,431
Corporate gearing	**16%**	16%	20%	22%
Interest cover – underlying (times)	**4.8**	4.8	6.4	8.0
Interest cover – actual (times)	**9.0**	9.0	2.8	–
Margins				
AMP Bank net interest margin (over average interest earning assets)	**1.38%**	1.44%	1.32%	1.62%
Australian Wealth Management AUM based revenue to average AUM (bps)	**55**	53	57	67
Platforms AUM based revenue to average AUM (bps)	**48**	47	49	53
Master Trust AUM based revenue to average AUM (bps)	**67**	66	67	85
Volumes				
AMP Bank total loans (A$m)	**24,033**	24,033	22,730	22,058
Australian Wealth Management net cashflows (A$m)	**(5,278)**	(2,377)	(2,901)	(7,213)
Platforms net cashflows (A$m)	**936**	472	464	83
Master Trust net cashflows (A$m)	**(3,897)**	(2,270)	(1,627)	(5,246)
Australian Wealth Management AUM (A$b)	**124.2**	124.2	125.1	142.3
Platforms AUM (A$b)	**65.5**	65.5	63.9	71.1
Master Trust AUM (A$b)	**54.0**	54.0	55.2	62.9
Total AUM and administration (A$b)	**149.1**	149.1	151.1	171.9
Controllable costs (pre-tax) and cost ratios				
Controllable costs – excluding AMP Capital discontinued operations (A$m)	**791**	413	378	845
Controllable costs – AMP Capital discontinued operations (A$m)	**278**	118	160	440
Cost to income ratio (excl. AMP Capital discontinued operations)	**72.4%**	76.4%	68.4%	67.1%

Please refer to FY 22 Investor report.

Business review

AMP Bank

NPAT

$103m

Residential mortgage book grew

$2.0b

to

$23.8b

from 2021 through organic and inorganic growth

Full year 2022 highlights

During the year, AMP Bank has helped over 188,000 customers with their banking needs, and enabled over 9,290 Australians to purchase their own home. The bank's residential mortgage book grew at 1.8x system, while maintaining strong credit quality. This was underpinned by ongoing service improvements to drive organic growth, as well as the acquisition of Nano's residential mortgage book. The residential mortgage book grew by 9% to $23.8 billion. Net interest margin (NIM) of 1.38% in FY 22, compared to 1.62% in FY 21, was primarily driven by mortgage margin compression and asset mix changes, and partially offset by favourable deposit margins. The second half of FY 22 saw NIM improve to 1.44% as funding demand and competition in the market normalised. AMP Bank's NPAT (underlying) of $103 million reflects the competitive environment from a funding and lending perspective, as well as the benefit of the one-off loan impairment release in FY 21 not repeated in FY 22.

Operational highlights

AMP Bank continued to take a disciplined approach to growing its loan book, supported by improving service and turnaround times, and competitive pricing. AMP Bank also continued its strategic investment in technology, enhancing its offering to further digitise and automate the lending experience for brokers, advisers and customers. Continued investment in home loan processing technology improved customer cycle times to unconditional approval by 33%. Partnerships with innovative fintechs position AMP Bank to reach a broader direct-to-consumer base. AMP Bank partnered with Bricklet, a shared equity home platform, to enable more Australians to get into the property market earlier in life. A partnership with fintech platform Nano enables AMP Bank to offer fully digital mortgages, with unconditional approval in as little as 10 minutes.

AMP Indigenous designed bank card

In 2022, AMP Bank launched its redesigned Visa debit cards, featuring a series of Indigenous artworks by emerging artist, Chloe Little, that celebrate the Indigenous cultures of Australia. AMP Bank is one of the first banks in Australia to feature Indigenous artwork on its debit cards. The new designs are on the physical debit cards and available for customers to add to their digital wallet on their mobile phones. The designs have been rolled out to new and existing customers on all cards issued by AMP Bank from early 2023. The new cards are also produced using more sustainable materials.

Australian Wealth Management

Australian Wealth Management includes three key businesses – Platforms, Master Trust and Advice. NPAT for the overall business was $50 million (FY 21: $89 million), reflecting strategic repricing in Platforms and Master Trust to attract and retain customers, as well as the impact of volatile investment markets partly offset by lower costs.

Platforms

AMP's flagship platform, North, continued to generate solid inflows from both IFAs and aligned advisers, which follows strategic repricing initiatives and continued investment in the platform's functionality. NPAT (underlying) of $66 million (FY 21: $123 million) was impacted by market volatility including losses on the North Guarantee product and planned strategic repricing. Controllable costs of $157 million (FY 21: $146 million) reflect the decision to increase spending to support future business growth.

Overall Platforms AUM of $65.5 billion (FY 21: $71.1 billion) reflects volatile investment markets partly offset by cash inflows of $936 million (FY 21: $83 million). North AUM remained relatively stable at $61.3 billion, with volatile investment markets offset by net cash inflows of $5.7 billion.

NPAT

$50m

31%

increase in inflows from external financial advisers to North platform

AMP launches market-first retirement solution

In 2022, AMP launched a market-first retirement solution, MyNorth Lifetime, an innovative new option for retirees that provides the peace of mind and certainty of higher income for life. Available through MyNorth, it delivers on a key strategic priority for AMP to help more Australians achieve a better-quality life throughout retirement.

Customers and their financial advisers have complete control over investment choice and strategy, with access to North's extensive investment menu. This ensures advisers can support their customer's specific investment goals and retirement objectives, and make changes over time as circumstances change. This market-first retirement solution, MyNorth Lifetime, has won two awards at the annual Plan For Life (PFL) Longevity Cover Excellence Awards. MyNorth Lifetime won the Innovation award for longevity cover and MyNorth Deferred Lifetime Income won best Deferred Lifetime Investment Linked cover.

Australian Wealth Management continued

53%

reduction in losses in Advice to A$68m

25%

reduction in controllable costs to A$138m

Master Trust

The Master Trust business continues its strategy of simplification, driving operational efficiency and reducing costs while improving investment performance, despite challenging operating conditions for this business. NPAT (underlying) of $55 million was impacted by the simplification initiatives completed in Q3 21, lower average AUM and the decision to deliver price reductions for members in the previous year to reset Master Trust's competitive position in the market.

The focus on operational efficiency continued, with controllable costs falling to $192 million (FY 21: $216 million) driven by focused cost reduction activity and lower project costs, with the major simplification programs largely complete.

Advice

Strong progress was made on the transformation of Advice to a sustainable, standalone business, reducing NPAT losses by $78 million to $68 million. Costs were carefully managed, with controllable costs reducing by 25% to $138 million. Advice revenues of $56 million (FY 21: $58 million) were impacted by the sale of the employed business, and partially offset by higher licensee fees.

AMP SignatureSuper wins awards

Our focus on delivering value to members has recently been recognised with SignatureSuper Allocated Pension winning the 2023 Money Magazine award for the best value retirement product.

This follows AMP's SignatureSuper products being awarded the highest Platinum rating by respected research house, SuperRatings in 2022. AMP SignatureSuper, AMP SignatureSuper – MySuper and AMP SignatureSuper Allocated pension all received Platinum ratings while the AMP SignatureSuper Personal Superannuation received a Gold rating.

New Zealand Wealth Management

Full year 2022 highlights

New Zealand Wealth Management (NZWM) provides customers with a variety of wealth management solutions, including KiwiSaver, corporate superannuation, retail investments, a wrap investment management platform and general insurance. In FY 22, NPAT of $32 million reflects volatile investment markets impacting average AUM, as well as the repricing of the KiwiSaver product. In FY 22, AUM based revenue was $92 million, with AUM at 31 December 2022 of $10.5 billion. NZWM continues to focus on simplifying its business, with costs controls resulting in controllable costs down 2.8% to $35 million.

NPAT

$32m

Resilient earnings despite investment market impacts

Operational highlights

2022 was the first full year of NZWM's index-based investment philosophy with a focus on sustainable investing. This approach has enabled NZWM to reduce the carbon footprint of its funds while also reducing fees for clients. While volatility in global financial markets is likely to continue to impact average AUM balances, NZWM is well positioned in the market.

Supporting vulnerable customers

Being a customer-led business means supporting customers who face hardship or require access to funds on compassionate grounds. This includes those impacted by cost of living pressures and financial vulnerability.

- In 2022, AMP processed 1,304 superannuation withdrawals totalling $24.6 million for members on compassionate grounds and 1,949 withdrawals for those experiencing financial hardship for a total of $13 million.
- AMP Bank provided financial hardship assistance to 447 home loan accounts valued at a total of $202 million.
- AMP's aligned network of financial advisors continued to deliver educational material through a suite of webinars to clients covering topics such as retirement, budgeting, early release of super, investment market updates and estate planning.

Board of directors

Left to right: Kate McKenzie, Michael Sammells, Andrea Slattery, Mike Hirst, Debra Hazelton, Andrew Best, Alexis George and Rahoul Chowdry.

Debra Hazelton

BA (Hons), MCom, GAICD

Independent Chair

Debra was appointed to the AMP Limited Board as a Non-executive director in June 2019 and as the Chair in August 2020. She was also appointed as the Chair of the Nomination Committee in August 2020 and is a member of the Remuneration Committee. Debra is also the Chair of the AMP Bank Board.

Experience

Debra brings significant experience from more than 30 years in global financial services, including as the local Chief Executive of Mizuho Bank in Australia and Commonwealth Bank in Japan. She has expertise across financial markets, institutional banking, risk management, treasury, human resource management and global corporate culture transformation.

Debra is also a Non-executive director on the boards of Treasury Corporation of Victoria and Persol Asia Pacific Pte Ltd (Singapore), Vice President of the Australia-Japan Business Cooperation Committee and a Principal of Kokusai Business Advisory.

Her previous board experience includes Australia-Japan Foundation, Australian Financial Markets Association, Asia Society and Women in Banking and Finance. She has graduate and post-graduate degrees in philosophy, Japanese language and literature as well as economics and finance.

Directorships of other ASX listed companies:

- None

Government and community involvement

- Non-executive director, Treasury Corporation of Victoria (appointed August 2018)
- Member and Vice President, Australia-Japan Business Cooperation Committee (appointed November 2020 and appointed as Vice President October 2021)
- Member, Chief Executive Women Australia (appointed January 2020)

Alexis George

BCom, FCA, GAICD

Chief Executive Officer

Alexis George was appointed Chief Executive Officer (CEO) of AMP Limited in August 2021. She is responsible for leading the AMP business. In addition, Alexis was appointed to the AMP Limited Board and AMP Bank Board in August 2021.

Experience

Alexis has more than 30 years' experience in the financial services industry in Australia and overseas. She spent seven years at ANZ, including most recently as the Deputy Chief Executive Officer, working with the CEO to drive group-wide strategic initiatives in addition to having responsibility for its shared service centres and banking services. As the Group Executive Wealth Australia, Alexis led ANZ's ~$4 billion wealth divestment program, including the separation and sale of its life insurance and superannuation businesses to Zurich and IOOF. Prior to ANZ, Alexis spent 10 years with ING Group in a number of senior roles, including CEO Czech Republic and Slovakia, responsible for banking, insurance and funds management, and Regional COO Asia, responsible for product, marketing, technology and operations.

Directorships of other ASX listed companies:

- None

Government and community involvement

- Member, Chief Executive Women Australia (appointed October 2016)

Andrew Best

BLaws, BSc, MAICD

Independent, Non-executive director

Andrew was appointed to the AMP Limited Board as a Non-executive director in July 2022 and is a member of the Nomination and Risk and Compliance Committees. At the same time, Andrew was appointed to the AMP Bank Board and is a member of its Risk and Compliance Committee.

Experience

Andrew is a senior financial services executive with over 30 years' international and domestic experience across banking and financial markets in Australia, London, Hong Kong and Singapore, with a particular focus on capital markets and mergers and acquisitions. From 1989 to 2020, Andrew worked with J.P. Morgan Chase & Co holding various roles over his three-decade career with the company, including most recently as Head of Investment Banking for Australia and New Zealand from 2017 to 2020. Prior to that role, Andrew was Head of the Financial Institutions investment banking business for Australia and New Zealand from 2004. Andrew is a member of the Ord Minnett Private Opportunities Fund Investment Committee, a panel member for Adara Group, which provides independent pro bono advice to Australian companies as well as being an executive coach with Foresight Global Coaching.

Directorships of other ASX listed companies:

- None

Government and community involvement

- Member, National Heart Foundation Advisory Board (appointed April 2020)

Rahoul Chowdry

BCom, FCA

Independent, Non-executive director

Rahoul was appointed to the AMP Limited Board as a Non-executive director in January 2020. He served as Chair of the Risk Committee from May 2020 to October 2022. He was appointed the Chair of the Audit Committee in October 2022 and is a member of the Nomination and Risk and Compliance Committees. At the same time, Rahoul was appointed to the AMP Bank Board and is Chair of its Audit Committee and a member of its Risk and Compliance Committee.

Experience

Rahoul has over 40 years' experience in professional services, advising complex multinational organisations in Australia and overseas. Rahoul is a Senior Advisor at Minter Ellison and is a member of the Audit and Risk Committee of the firm's Partnership Board. Between 2018 and 2021, he was Partner and National Leader of Minter Ellison's financial services practice in Australia and leader of the risk consulting practice. Prior to this, Rahoul was a Senior Partner at PwC for almost 30 years, where he undertook a number of leadership roles, delivering audit, assurance and risk consulting services to major financial institutions in Australia, Canada and the United Kingdom.

Directorships of other ASX listed companies:

- None

Government and community involvement

- Member, Reserve Bank of Australia, Audit Committee (appointed February 2018)

Board of directors

Mike Hirst

BCom, SFFin, MAICD

Independent, Non-executive director

Mike was appointed to the AMP Limited Board as a Non-executive director in July 2021. He was appointed the Chair of the Risk and Compliance Committee in October 2022 and is a member of the Nomination and Remuneration Committees. At the same time, Mike was appointed to the AMP Bank Board and is Chair of its Risk and Compliance Committee.

Experience

Mike has more than 40 years of experience in board and senior executive leadership roles within retail banking, treasury, funds management and financial markets. Mike was the Managing Director of Bendigo and Adelaide Bank from 2009 to 2018 and prior to this, he worked in senior executive and management positions with Colonial Limited, Westpac Banking Corporation and Chase AMP Bank. Mike served as Deputy Chair of the Treasury Corporation of Victoria and previously held non-executive directorships with Austraclear Limited, Colonial First State, Rural Bank and Barwon Health Limited. Mike was a Commissioner on the Federal Government's National COVID-19 Commission Advisory Board, a member of the Federal Government's Financial Sector Advisory Council and was Deputy Chair of the Australian Banking Association.

Directorships of other ASX listed companies:

- Non-executive director, AMCIL Limited (appointed January 2019)
- Non-executive director, Butn Limited (appointed September 2020)

Directorships of other companies:

- Non-executive director of GMHBA Limited (appointed July 2018)

Government and community involvement

- Deputy Chair, Racing Victoria (appointed October 2016)
- Honorary Member, Business Council of Australia (appointed July 2018)

Kate McKenzie

BA, LLB, GAICD

Independent, Non-executive director

Kate was appointed to the AMP Limited Board as a Non-executive director in November 2020 and is a member of the Nomination Committee. At the same time, Kate was appointed to the AMP Bank Board.

Experience

Kate has more than 25 years of experience in other board and senior executive leadership roles. Kate is a Non-executive director of Stockland Corporation and Healius and the Chair of NBN Co. She has previously served on the boards of Allianz Australia, Foxtel, Telstra Ventures, Sydney Water and Workcover.

Kate was the Chief Executive Officer of Chorus, the New Zealand telecommunication group, listed on the ASX and NZX, and held several executive roles in her 12 year tenure at Telstra, including as Chief Operating Officer.

Directorships of other ASX listed companies:

- Non-executive director, Stockland Corporation Limited (appointed December 2019)
- Non-executive director, Healius Ltd (appointed February 2021)

Government and community involvement

- Non-executive director and Chair, NBN Co (appointed in December 2019 and Chair in January 2022)
- Member, Chief Executive Women Australia (appointed January 2006)

Michael Sammells

BBus, FCPA, GAICD

Independent, Non-executive director

Michael was appointed to the AMP Limited Board as a Non-executive director in March 2020. He was appointed as the Chair of the Remuneration Committee in August 2020 and is a member of the Audit and Nomination Committees. At the same time, Michael was also appointed to the AMP Bank Board and is a member of its Audit Committee.

Experience

Michael has over 35 years of professional experience, with significant experience in senior executive financial and commercial roles. His experience as Chief Financial Officer spans over 20 years in ASX Listed companies as well as the public sector. Michael is also a Non-executive director and Chair of Sigma Healthcare and has served on numerous private boards since 2010.

Directorships of other ASX listed companies:

- Non-executive director and Chair, Sigma Healthcare Limited (appointed February 2020 and Chair in August 2022)

Andrea Slattery

BAcc, MCom, FCPA, FCA, FSSA, FAICD, GCB.D(ESG)

Independent, Non-executive director

Andrea was appointed to the AMP Limited Board as a Non-executive director in February 2019 and is a member of the Audit, Nomination and Risk and Compliance Committees. At the same time, she was appointed to the AMP Bank Board and is a member of its Audit and Risk and Compliance Committees. In addition, Andrea was also appointed to the AMP Foundation Board in March 2022.

Experience

As a Non-executive director, Andrea has substantial experience on global, public and private companies and government advisory committees in the finance, clean energy, infrastructure, superannuation, professional services and defence industries, spanning more than 30 years.

As an executive, Andrea was the co-founder, managing director and CEO of the SMSF Association from 2003 to 2017. Prior to this, Andrea was a financial adviser and Principal of her own tax consulting and advisory business. Andrea's previous Government Advisory Committee appointments include the Federal Government's Innovation Investment Partnership, Industry Working Group, Stronger Super Peak Consultative Group, Superannuation Advisory Group and the Future of Financial Advice.

Directorships of other ASX listed companies:

- Non-executive director, Argo Global Listed Infrastructure (April 2015 – June 2022)

Government and community involvement

- Non-executive director, Clean Energy Finance Corporation (appointed February 2018)
- Non-executive director, Infrabuild Ltd (appointed December 2022)
- Deputy Chair, Woomera Prohibited Area Advisory Board (appointed July 2019)
- Member, Chief Executive Women Australia (appointed January 2017)
- Member, Global Competent Boards (appointed November 2021)

Group Executive Committee

Left to right: Sean O'Malley, David Cullen, Nicola Rimmer-Hollyman, Alexis George, Blair Vernon, Scott Hartley, Peter Fredricson, Rebecca Nash and Felicia Trewin.

Alexis George

BCom, FCA, GAICD

Chief Executive Officer

Alexis George was appointed Chief Executive Officer (CEO) of AMP Limited in August 2021. She is responsible for leading the AMP business. In addition, Alexis was appointed to the AMP Limited Board and AMP Bank Board in August 2021.

Experience

Alexis has more than 30 years' experience in the financial services industry in Australia and overseas. She spent seven years at ANZ, including most recently as the Deputy Chief Executive Officer, working with the CEO to drive group-wide strategic initiatives in addition to having responsibility for its shared service centres and banking services.

As the Group Executive Wealth Australia, Alexis led ANZ's ~$4 billion wealth divestment program, including the separation and sale of its life insurance and superannuation businesses to Zurich and IOOF. Prior to ANZ, Alexis spent ten years with ING Group in a number of senior roles including CEO Czech Republic and Slovakia, responsible for banking, insurance and funds management, and Regional COO Asia, responsible for product, marketing, technology and operations.

Alexis is a member of the Institute of Chartered Accountants and a graduate of the Australian Institute of Company Directors. Alexis is an active member of Chief Executive Women and is a passionate advocate for women in leadership roles.

Peter Fredricson

BCom, CA, GAICD

Chief Financial Officer

Peter joined the Group as Chief Financial Officer in January 2023. He is responsible for leading the financial and strategic activities of AMP including financial control, statutory and regulatory reporting, performance reporting, tax, treasury, investor relations, M&A, strategic sourcing and workplace experience.

Experience

Prior to joining AMP, Peter was the CFO of ASX listed APA Group from June 2009 to December 2020 and CFO then Acting CEO of Oil Search Limited from March 2021 to January 2022 prior to its merger with ASX listed Santos Limited. Peter also has 15 years of career experience in the financial services sector including roles with Tower Corporation in New Zealand and Merrill Lynch in Australia and New Zealand.

Peter holds a Bachelor of Commerce degree from the University of Auckland, is a Chartered Accountant with the Institute of Chartered Accountants of Australia and New Zealand and is a graduate of the Australian Institute of Company Directors.

David Cullen

BCom, LLB, LLM

Group General Counsel

David joined AMP in September 2004 and was appointed Group General Counsel in May 2018. David has group-wide responsibility for AMP's legal and governance functions.

Experience

David has over 25 years' experience in the legal profession, with extensive experience in the areas of M&A, corporate law and corporate governance, having worked in law firms in Perth and Sydney and with the ASX. Prior to his appointment as Group General Counsel, David was the Group Company Secretary and General Counsel, Governance at AMP, which included acting as Company Secretary for AMP Limited.

David holds a Bachelor of Commerce and Bachelor of Laws from the University of WA and a Master of Laws from the University of Sydney. He is a Fellow of the Governance Institute of Australia.

Scott Hartley

BBus, GAICD

Chief Executive, Australian Wealth Management

Scott was appointed CEO of Australian Wealth Management (previously known as AMP Australia) in January 2021. Australian Wealth Management is focused on strengthening client-led outcomes across investments, super, platforms, and advice.

Experience

Scott has more than 25 years' experience in executive management roles, including over 20 years in the wealth management industry. Most recently, Scott was the CEO of Sunsuper. Under his leadership from 2014 to 2019, Sunsuper grew to become the fourth largest by number of clients and the fastest growing 'Top 10' superannuation and retirement business. Strong organic growth of the business was also supplemented by two successful mergers with Kinetic Super (A$4 billion and 250,000 members) and Austsafe Super (A$2.7 billion and 100,000 members).

Prior to Sunsuper, Scott was the Executive General Manager of Corporate and Institutional Wealth at NAB Wealth from 2009 to 2013, including leading subsidiaries Plum Financial Services and Jana Investment Advisors. Scott is also a Fellow of the Association of Super Funds in Australia, a graduate of the Australian Institute of Company Directors, and a Director of the Financial Services Council.

Group Executive Committee

Rebecca Nash

BBus, GAICD, GradCert

Chief People Officer

Rebecca was appointed the Chief People Officer in November 2021 and is responsible for leading human capital strategy, employee experience, talent and succession, leadership, performance, remuneration, recruitment, diversity and inclusion, cultural transformation and employee development. Rebecca joined AMP in April 2020 as Group Director People.

Experience

Rebecca has more than 25 years of local and global multi-sector experience. Prior to joining AMP, she spent seven years at Perpetual as the Group Executive, People & Culture, where her portfolio included sustainability and business transformation. During her time at Perpetual, Rebecca served as a Director of Perpetual Trustee Company. Prior to Perpetual, Rebecca held senior roles with National Australia Bank and Accenture.

Sean O'Malley

MBA, BCom, FIML

Group Executive, AMP Bank

Sean O'Malley was appointed the Group Executive of AMP Bank in September 2021. He is responsible for the management and growth of AMP Bank.

Experience

Sean joined AMP in May 2013 and has over 25 years of experience in delivering enhanced business results, predominately in financial services industries. He has deep and broad leadership experience, having performed multiple roles across the AMP business, including as Director of AMP Contact Centres and Operations Transformation with a focus on transforming the customer experience, and Director of AMP Direct, where he designed the organisational structure and operating model of AMP's direct-to-client advice model. Sean joined the bank as Director of Technology and Operations in 2016, focused on leading capability and technology enhancements, and the Future AMP Bank Core Program. In April 2021, Sean was appointed to Managing Director AMP Bank. Sean is responsible for leading the bank, delivering its future growth strategy, uplifting its digital capability and ensuring the ongoing delivery of high-quality products and services to customers.

Nicola Rimmer-Hollyman

BA (Hons), MSc, CMIIA, QAIP

Chief Risk Officer

Nicola joined AMP in August 2019 as Head of Internal Audit and became Chief Audit Executive in February 2020. She was appointed Acting Chief Risk Officer in February 2022 and Chief Risk Officer in May 2022, leading AMP's Risk Management function across the group.

Experience

Nicola has more than 25 years of experience in financial services, both domestically and internationally, during which time she has built a deep understanding of regulation, risk, governance and control. Nicola has held various roles in financial services organisations and regulators, including most recently with ANZ as General Manager of Audit for the Wealth business, and at Barclays, HBOS and the Financial Services Authority in the UK. Nicola is also a past President of the Chartered Institute of Internal Audit in the UK and a former board member of the Global Institute of Internal Audit.

Nicola holds a Bachelor of Arts (Honours) from Middlesex University and a Masters in Audit Management and Consultancy from the University of Central England.

Felicia Trewin

BEc, GradDipProj Mgt

Chief Technology Officer

Felicia joined AMP in March 2022 and is responsible for leading the group's technology strategy, and accelerating the adoption of digital and data technology across AMP.

Experience

Felicia joined AMP from AustralianSuper, where she led the technology function and was a member of the Group Executive for three and a half years. She was responsible for setting and delivering the Fund's global IT strategy across all technology infrastructure, applications, cyber, architecture, governance and risk management. At ANZ between 2014 and 2018, Felicia held various senior leadership roles, including Global Head of Technology (Corporate and Commercial Banking), General Manager (Technology Australia), Head of Strategy and Business Optimisation (Corporate Commercial Banking), and as the Group Head of Emerging Technology Labs.

Prior to ANZ, Felicia was a Director in Deloitte UK's Financial Services Technology Consulting practice where she provided technology advisory services to CXO level clients covering IT strategies, operating models, large-scale outsourcing and commercial restructuring, and leading complex transformation programs. Felicia's early career was spent at Andersen Consulting in Australia as a software engineer, and Microsoft in the US and UK, where she was a system designer and led global operations teams. Her qualifications include a Bachelor of Economics from the Australian National University and post graduate studies at the University of New South Wales, Cranfield School of Management (UK) and MIT (US).

Blair Vernon

Group Executive, Transformation & New Zealand

Blair joined AMP in 2009 and took up the role of Group Executive, Transformation & New Zealand in April 2022.

Experience

Blair was previously CEO/Managing Director of New Zealand Wealth Management from January 2017, and prior to this served as AMP's Director Retail Financial Services; Director of Advice & Sales and General Manager Marketing and Distribution. Blair has over 25 years' experience across the financial services sector in New Zealand and Australia.

From August 2020 to January 2021, Blair also served as Acting CEO for AMP Australia, where he was responsible for AMP's wealth management and banking divisions with a focus on strengthening client-led outcomes.

Directors' report

for the year ended 31 December 2022

ABOUT THE DIRECTORS' REPORT

This directors' report provides information on the structure and progress of our business, our 2022 financial performance, our strategies and prospects for the future. It covers AMP Limited and the entities it controlled during the year ended 31 December 2022.

OPERATING AND FINANCIAL REVIEW

Principal activities

AMP is a leading wealth management business in Australia and New Zealand offering customers financial advice and superannuation, retirement income, banking and investment products across a portfolio of businesses. We also provide corporate superannuation products and services for workplace super and self-managed superannuation funds (SMSFs).

AMP holds several strategic partnerships including:

- 19.99% of China Life Pension Company (CLPC)
- 14.97% of China Life AMP Asset Management Company Ltd (CLAMP), and
- 23.87% in US real estate investment manager, PCCP.

For the purposes of this report, our business is divided into three main areas: AMP Bank, Australian Wealth Management and New Zealand Wealth Management.

Description of business units

AMP Bank offers residential mortgages, deposits and some limited transactional banking services. The Bank continues to focus on growth through investing in technology to streamline the origination process, improving the experience for both customers and intermediaries.

As at 31 December 2022, AMP Bank helped around 188,000 customers with their banking needs and provided over 9,290 new home loans.

Australian Wealth Management (AWM) comprises three business lines providing advice, superannuation, retirement income and managed investments, with the inclusion of the AMP Investments team supporting investment management and capability:

- **Platforms** includes superannuation, retirement and investment offers through which managed funds, managed portfolios, listed securities, term deposits and guarantee investment options can be accessed to build a personalised investment portfolio. The flagship North platform is an online wrap platform which continues to deliver on its commitment of strengthening and broadening investment choice for clients and providing a contemporary platform for advisers to manage their clients' funds.
- **Master Trust** offers a market competitive super and pension solution across individual and corporate super through one of the largest retail Master Trusts in Australia (SignatureSuper) with around 700,000 customer accounts. The highly rated SignatureSuper offer consists of three products across super and pension. The open investment menu caters to different risk profiles with exposure to a range of professional managers in order to meet the needs and goals of customers. The Master Trust business delivers high quality member services, with strong administration, contact centre and digital capabilities. It also has a proven pedigree in managing corporate super plans with complex and tailored benefit designs, including defined benefits.
- **Advice** provides professional services to a network of aligned and Independent Financial Advisers (IFAs). These advisers provide financial advice and wealth solutions to their clients, including retirement planning, investments and financing. In addition to supporting a network of professional advisers, the Advice business partners with a number of aligned advice businesses via equity ownership to support the growth and development of these businesses.

New Zealand Wealth Management encompasses wealth management, financial advice and general insurance distribution businesses in New Zealand. It provides clients with a variety of wealth management solutions including KiwiSaver, corporate superannuation, retail investments, a wrap investment management platform and general insurance.

Sale of AMP Capital businesses

Global Equities and Fixed Income (GEFI)

On 8 July 2021, AMP announced the sale of its GEFI business to Macquarie Asset Management, which completed on 28 March 2022. The remaining AMP Capital public markets business, the Multi-Asset Group, which is responsible for asset allocation on behalf of AMP's Master Trust and Platform clients was transitioned to Australian Wealth Management from 1 January 2022 (now called AMP Investments).

Infrastructure Debt Platform

On 24 December 2021, AMP announced the sale of its Infrastructure Debt platform to Ares Holdings LP (Ares) which completed on 11 February 2022.

International Infrastructure Equity business

On 3 February 2023, AMP announced the completion of the sale and transfer of AMP Capital's international infrastructure equity business to DigitalBridge Group, inc. (DigitalBridge). The completion supports the delivery of AMP's strategic objective to simplify its portfolio and focus on its core businesses of retail banking and wealth management in Australia and New Zealand. Total consideration received was $521m.

AMP also remains eligible for a further cash earn-out of up to $180m which is contingent on future fund raisings for Global Infrastructure Fund III and Global Infrastructure Fund IV.

Overview
Business review
Directors' report
Financial report
Additional information

Domestic Real Estate and Infrastructure Equity businesses

As announced on 9 January 2023, there remains an outstanding condition precedent for the completion of the sale of AMP Capital's domestic real estate and infrastructure equity businesses to Dexus Funds Management Ltd (Dexus) under the current sale agreement. This relates to receiving approval from the applicable regulator in China for the transfer of AMP's interest in China Life AMP Asset Management (CLAMP) out of the sale perimeter. AMP and Dexus have agreed to extend the date for satisfaction or waiver of conditions precedent to 28 February 2023. However, the base purchase price has been reduced by $25m to $225m, and the remaining potential funds under management (FUM) based earnout has been forfeited.

Potential revised transaction structure

AMP and Dexus have entered into a non-binding term sheet which contemplates a revised transaction structure with a two-stage completion process. If binding agreements are entered into, the revised transaction structure would allow for most legal entities (holding the majority of the AMP Capital domestic assets and management rights) as well as employees, to transfer to Dexus at first completion, prior to the satisfaction of the remaining condition precedent. The transfer of one remaining entity (which currently holds the interest in CLAMP) would occur at final completion following receipt of the necessary regulatory approval. This alternative transaction approach is being pursued alongside the existing initial transaction structure for maximum flexibility.

Divestment of equity interest in Resolution Life Australasia

On 3 November 2021, AMP Limited announced it had agreed to the divestment of its 19.13% equity interest in Resolution Life Australasia (RLA) for a consideration of $524m to Resolution Life Group. This transaction completed on 28 June 2022.

Review of operations and results

The profit attributable to shareholders of AMP Limited for the year ended 31 December 2022 was $387m (2021: loss of $252m). Basic earnings per share for the year ended 31 December 2022 on a statutory basis was 12.0 cents (2021: (7.6) cents). On an underlying basis, earnings per share was 5.7 cents (2021: 8.4 cents). Key performance measures of the group were as follows:

- 2022 NPAT (underlying) of $184m decreased 34% from $280m in 2021. This decrease largely reflects the impact of lower AMP Bank earnings (-33%) relative to 2021 reflecting lower net interest margin, as well as 2021 benefitting from a one-off credit loss provision release. Lower Australian Wealth Management earnings (-44%) reflecting strategic competitive repricing and market volatility, and lower New Zealand Wealth Management earnings (-18%) in a weaker market, also impacted NPAT.
- 2022 NPAT (statutory) profit of $387m was favourably impacted by a ~$390m gain on the sale of the Infrastructure Debt platform, partly offset by $90m of separation costs, $68m of impairments, $61m of transformation costs, $25m of remediation and related costs and other one-off items.
- Total AUM and administration of $149.1b in 2022 decreased by $22.8b (-13%) from 2021 due to negative investment market returns and net cash outflows.
- Australian Wealth Management net cash outflows were $5.3b in 2022, compared to net cash outflows of $7.2b in 2021. This was largely attributable to lower outflows across both platforms and Master Trust and growth in inflows from Independent Financial Advisers (IFAs). 2022 net cash outflows also included $2.0b of regular pension payments to members (2021: $1.9b).
- AMP Bank's residential mortgage book increased by $2.0b (9%) to $23.8b driven by competitive pricing, ongoing service improvements and targeted growth in principal and interest loans across both owner-occupied and investment lending. This increase also included ~$400m of loans acquired from Nano in December 2022. This represents 1.5x system growth or 1.81x system growth including Nano (based on December 2022 APRA data).
- AMP's controllable costs, excluding AMP Capital discontinued operations, of $791m were 6% lower than 2021 due to cost out benefits partly offset by structural cost increases.
- AMP group cost to income ratio was 72.4% in 2022, up from 67.1% in 2021 due to lower revenues.
- Underlying return on equity was 4.6% in 2022 (2021: 6.9%).
- 2022 total eligible capital resources were $923m above regulatory and target capital requirements, up from $383m at 31 December 2021.

Operating results by business area

The operating results of each business area for 2022 were as follows:

AMP Bank – NPAT of $103m decreased by $50m (33%) from 2021 predominantly driven by increased loan impairment expense (2021 included $26m release of credit loss provision related to the impact of COVID-19), reduction in net interest income $17m (4%) from 2021, largely due to NIM compression in 1H22, and an increase in costs to support ongoing growth.

Australian Wealth Management – NPAT fell from $89m in 2021 to $50m in 2022 primarily due to the impact of strategic competitive repricing in Master Trust and Platforms, lower revenue predominantly from investment market volatility and the impact of stressed and volatile markets on the North guarantee, partly offset by lower variable and controllable costs from cost reduction initiatives.

New Zealand Wealth Management – NPAT of $32m in 2022 decreased $7m (2021: $39m) primarily due to a significant drop in global investment markets.

AMP Capital – Continuing operations NPAT of $41m was up 11% from $37m in 2021 due to higher contributions from joint venture investments.

Capital management and dividend

Equity and reserves of the AMP Group attributable to shareholders of AMP Limited was $4.2b at 31 December 2022 ($4.0b as at 31 December 2021). AMP's Group Surplus Capital as at 31 December 2022 is $923m ($383m at 31 December 2021). The board has resolved to declare a 2022 final dividend of ~$75m (2.5cps) franked to 20%. The board continues to maintain a conservative approach to capital management to support the transformation of the business and maintain balance sheet strength. As announced in the half yearly results in August 2022, AMP intends to return a total of $1.1b of capital to shareholders as a result of previously announced business sales. Further capital returns beyond the $350m current on-market buyback are subject to regulatory and shareholder approval.

Directors' report

for the year ended 31 December 2022

Strategy and prospects

AMP set out its strategic growth plans for 2022–2024 on 30 November 2021. This outlined a clear path to create a new AMP. Since then, AMP has made strong progress to reposition its core capabilities in wealth management and banking with investment in new, innovative products and services during 2022. A continued focus on simplification is driving further efficiency and re-shaping AMP's business portfolio. The business has built early momentum in exploring new opportunities for growth, including establishing partnerships to grow AMP's direct to consumer channel.

Reposition

AMP's strategy is to reposition its core capabilities to drive growth in banking and wealth platforms, investing in key areas to differentiate AMP's offering, and transforming its business model.

Simplify

AMP is focused on simplifying the business to drive efficiency and agility.

Explore

AMP will continue to explore organic and inorganic growth opportunities, including strategic partnerships with fintechs.

Strategic priorities for 2023

AMP is delivering on its transformation strategy to a path to the new AMP and has defined its priorities for the year ahead. AMP will be focused on returning capital to shareholders; growing IFA flows in our platforms business; controlling costs; supporting new growth opportunities, particularly through strategic partnerships; growing AMP Bank; and continuing the revitalisation of its culture and brand.

Further detail on strategy and prospects is included in the *Strategy* section of this report on pages 12–13.

THE ENVIRONMENT

In the normal course of its business operations, AMP is subject to a range of environmental regulations of which there have been no material breaches during the year. You can find a review of AMP's 2022 sustainability performance in AMP's 2022 Sustainability report at corporate.amp.com.au/about-amp/corporate-sustainability, as well as further information on AMP's environmental policy and activities.

EVENTS OCCURRING AFTER THE REPORTING DATE

As at the date of this report and except as otherwise disclosed, the directors are not aware of any other matters or circumstances that have arisen since the reporting date that have significantly affected, or may significantly affect, the group's operations; the results of those operations; or the group's state of affairs in future periods.

THE AMP LIMITED BOARD OF DIRECTORS

The directors of AMP Limited during the year ended 31 December 2022 and up to the date of this report are listed below. Directors were in office for this entire period except where stated otherwise:

Current Non-executive Directors:

Debra Hazelton (Chair)
Andrew Best (appointed as a director on 1 July 2022)
Rahoul Chowdry
Mike Hirst
Kate McKenzie
Michael Sammells
Andrea Slattery

Executive Director:

Alexis George (Chief Executive Officer and Managing Director)

Former Non-executive Director:

John O'Sullivan (resigned as a director on 8 April 2022)

Attendance at board and committee meetings

The AMP Limited Board met 21 times during the year ended 31 December 2022. The Chair and directors also attended other meetings, including board committee meetings, special purpose committees, strategy sessions and working groups. The Chair and directors also frequently attended meetings of subsidiary boards and committees, special purpose committees, and working groups of which they were not a director or member during the year. The table below shows details of attendance by directors of AMP Limited at meetings of boards, committees and working groups of which they were members during the year ended 31 December 2022. Any voluntary attendances by directors in the capacity as observers are not included in the following table below:

Board/committee	AMP Limited Board Meetings[1]		Audit Committee		Risk Committee		Nomination Committee		Remuneration Committee		AMP Ltd ESG & Sustainability Advisory Group[2]		AMP Ltd Technology Transformation Advisory Group[3]		Subsidiary board and committee meetings[4]		Additional Committees[5]
Held/attended	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	B
Debra Hazelton	21	21	3	3	4	4	4	4	9	9	2	2	–	–	1	1	2
Andrew Best[6]	8	8	1	1	3	3	2	2	3	3	–	–	2	2	–	–	–
Rahoul Chowdry	21	21	4	4	6	6	4	4	6	6	–	–	–	–	–	–	–
Mike Hirst	21	21	3	3	6	6	4	4	9	9	–	–	2	2	–	–	–
Kate McKenzie	21	20	3	3	4	3	4	4	6	6	–	–	2	2	–	–	–
Michael Sammells	21	21	3	3	4	4	4	4	9	9	2	2	–	–	1	1	4
Andrea Slattery	21	21	4	4	6	6	4	4	6	6	2	2	–	–	–	–	6
Alexis George	21	21	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
John O'Sullivan[7]	6	6	1	1	2	2	1	1	3	3	–	–	–	–	–	–	4

Column A – indicates the number of meetings held while the director was a member of the board/committee. Directors may, and frequently do, attend meetings as observers if they are not a member of the board/committee.

Column B – indicates the number of those meetings attended.

1 Where board and committee meetings of AMP Limited and AMP Bank Limited were held concurrently, only one meeting has been recorded.

2 AMP Ltd ESG & Sustainability Advisory Group established 1 October 2022.

3 AMP Ltd Technology Transformation Advisory Group established 1 October 2022.

4 Subsidiary board and committee meetings refer to the board and committee meetings of Collimate Capital Limited.

5 Additional committees were convened during the year on matters including due diligence and financial results.

6 Andrew Best was appointed as a director of AMP Limited effective 1 July 2022.

7 John O'Sullivan resigned as director of AMP Limited effective 8 April 2022.

COMPANY SECRETARY DETAILS

Details of each company secretary of AMP Limited as at the date of this report, including their qualifications and experience, are set out below.

David Cullen, Group General Counsel

BCom, LLB, LLM

David was appointed as the Company Secretary for AMP Limited on 4 March 2022. David joined AMP in September 2004 and was appointed Group General Counsel in May 2018. David has group-wide responsibility for AMP's legal and governance functions. Prior to his appointment as Group Counsel, David was the Group Company Secretary and General Counsel, Governance at AMP, which included acting as Company Secretary for AMP Limited.

Kate Gordon, Head of Corporate Governance

BA (Juris), LLB, LLM

Kate was appointed as the Company Secretary for AMP Limited on 4 March 2022 and is also secretary of several other AMP group companies. Kate joined AMP as a Senior Company Secretary & Senior Legal Counsel in June 2020. Kate has significant experience in the legal profession with expertise in corporate governance, mergers & acquisitions, corporate and commercial law. Before joining AMP, Kate worked at Henry Davis York (now Norton Rose Fulbright) and HWL Ebsworth Lawyers.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Under its constitution, the company indemnifies, to the extent permitted by law, all current and former officers of the company (including the non-executive directors) against any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as an officer of the company. This indemnity is not extended to current or former employees of the AMP group against liability incurred in their capacity as an employee, unless approved by the AMP Limited Board.

During, and since the end of, the financial year ended 31 December 2022, the company maintained, and paid premiums for, directors' and officers' and company reimbursement insurance for the benefit of all of the officers of the AMP group (including each director, secretary and senior manager of the company) against certain liabilities as permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

In addition, the company and each of the current and former directors, and a subsidiary of the company and each of the company secretaries, are parties to deeds of indemnity, insurance and access. Those deeds provide that:

- these officers will have access to board papers and specified records of the company (and of certain other companies) for their period of office and for at least 10 (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- the company indemnifies the directors, and a subsidiary of the company indemnifies the secretaries, to the extent permitted by law, and to the extent and for the amount that the relevant officer is not otherwise entitled to be, and is not actually, indemnified by another person;
- the indemnity covers liabilities (including legal costs) incurred by the relevant officer in their capacity as a current or former director or secretary of the company, or as a director or secretary of any AMP group company or an AMP representative to an external company; and
- the company will maintain directors' and officers' insurance cover for the directors, to the extent permitted by law, for the period of their office and for at least 10 years after they cease to hold office.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit, other than where the claim is determined to have resulted from any negligent, wrongful or wilful act or omission by or of Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the financial year ended 31 December 2022.

REMUNERATION DISCLOSURES

The remuneration arrangements for AMP directors and senior executives are outlined in the remuneration report which forms part of the directors' report for the year ended 31 December 2022. Directors' and senior executives' interests in AMP Limited shares, performance rights and options are also set out in the remuneration report on the following pages.

Remuneration report

In 2022, our leaders and employees delivered strong outcomes to continue the transformation of AMP and establish a new purpose-led and customer-focused culture.

Remuneration report Contents

Dear fellow shareholder

Under the first full year of CEO Alexis George's stewardship, the 2022 financial year has marked a significant turning point for AMP. The board firmly believes Alexis and the Executive Committee have developed a clear roadmap for the future growth of AMP and have successfully delivered against 2022 priorities.

Notable achievements during 2022

In the first quarter, the demerger of AMP Capital from AMP was well progressed. Following the completion of the sale of the Infrastructure Debt business to Ares in February 2022, the board made a decision in late April 2022 to instead, deliver greater certainty for and value to AMP shareholders through asset sales to DigitalBridge and Dexus. The DigitalBridge transaction completed in February 2023.

Against this challenging backdrop, we delivered a number of strategically important outcomes in the context of AMP's broader transformation objectives to become a leading wealth management and banking business in Australia and New Zealand. These include:

- The simplification of AMP's portfolio to five core businesses with clearly defined offerings in each.
- Disciplined cost management has reduced costs by \$54m down to \$791m through simplification of operational structure.
- Action was taken to reduce the prices of several of the Bank's product offerings while the bank and platforms businesses launched innovative new solutions for customers, including a unique to market retirement income offer.
- AMP's new purpose – **helping people create their tomorrow** – and underpinning values were successfully introduced and have helped the business to take a more forward view anchored in the customer.
- The full-year inclusion index of 75 points was achieved and buoyed by gender diversity targets met at the Board, Executive Management, Middle Management and AMP workforce more broadly.

The early response from key stakeholders to these initiatives is pleasing and supportive of AMP's transformation strategy.

Shareholders

A strong indication of AMP's turning point during 2022 is reflected in the company's share price increase, delivering a 12-month total shareholder return of 30.2%, outperforming the S&P ASX 200 Financials.

Customers

Improved outcomes for AMP's brand and reputation were achieved with the AMP RepTrak score increasing three points from the prior year. The result is also the highest since the 2018 royal commission into the financial services industry. AMP's net promoter score (NPS) was +23.

People

Since Alexis George took leadership of the business, employee engagement has been improving steadily and achieved the target score of 73 satisfaction. Participation in the voluntary survey was up to 79% compared with 65% a year before.

2022 Pay for Performance

The board determined the incentive pool after considering the AMP scorecard result of 68%, achievement of outcomes not represented on the scorecard, the economic and operating environment, shareholder value creation and applying a risk overview. After careful consideration the board exercised its discretion in determining the incentive pool funding of 70%. A further 15% has been awarded in cash and will be paid upon the commencement of the second tranche of capital expected to be returned to shareholders during 2023.[1] This equates to a possible total payout of 85% of target, of which 60% will be paid in cash and 40% delivered in share rights that vest over four years. It seeks to reward, retain and incentivise AMP's key executives who have delivered on a significant number of strategically important outcomes that will underpin AMP's growth. Recognising that they worked through the complexities of the sale of the AMP Capital business, while placing a priority on returning capital to shareholders and enhancing shareholder value.

In considering the role of the board in applying discretion and judgements on performance pay, the board remains cognisant of the balance of rewarding executive leadership and performance while being focused on shareholder outcomes.

During 2022, no long-term incentive awards were performance tested and therefore no long-term incentive (LTI) vested. A portion of the CEO sign on share rights vested.

Key Management Personnel (KMP)

As a result of the April 2022 agreements to sell the AMP Capital real estate and infrastructure businesses, and the subsequent simplified portfolio for AMP, the board determined that the current KMP designated roles include the CEO, Chief Financial Officer, Chief Risk Officer, Chief Executive Officer – Australian Wealth Management and Group Executive – AMP Bank. The Group General Counsel, Chief People Officer and AMP Capital CEO are no longer classified as KMP roles.

After serving more than 20 years at AMP, CFO James Georgeson will depart AMP. Peter Fredricson was announced as CFO, commencing on 9 January 2023.

The AMP Capital CEO role will be made redundant in 2023 after the completion of the sales of the AMP Capital businesses.

Other remuneration outcomes

Sean O'Malley, Group Executive – AMP Bank, is the only Executive Committee member who has been awarded a fixed remuneration increase for 2023. Further detail is provided in section 5.3.

In recognition of his contribution to AMP, James Georgeson will be treated as a good leaver for equity plan purposes and will retain his equity awards on foot in accordance with the plan terms including the original vesting and restriction periods of the relevant plan.

1 Excluding ordinary dividends declared in the normal course.

Looking to 2023

To enhance the effectiveness of executive remuneration, comply with APRA's new remuneration Prudential Standard CPS 511 and meet the evolving expectations of stakeholders, the board undertook comprehensive consultation with APRA, shareholders and shareholder advisory service firms. The Board made several changes to the 2023 executive remuneration framework in response.

The appropriate balance was sought between financial and non-financial objectives in respect of total variable reward while maintaining a material weighting to non-financial measures overall.

- The weighting of financials within the LTI plan will no longer account for 100% and be based solely on relative TSR. Instead, financial measures will account for 70% (measured 35% on relative TSR and 35% on adjusted EPS growth) and 30% will be based on a non-financial measure (assessed on AMP's reputation ranking against a peer group selected from RepTrak's Benchmark 60 Index).
- The LTI vesting period for the Executive Committee will be extended from four years to a total of six years for the CEO and five years for the other Executive Committee members. This will allow sufficient time to detect any potential risk or conduct issue that may subsequently present itself, providing the Board with the ability to apply malus or clawbacks if appropriate.
- The financial weighting in the AMP 2023 scorecard increased from 30% to 40%.
- The STI cash and equity mix has been set at 60:40 to balance the extension of deferral periods and counter the other changes made and ensure executives remain appropriately remunerated in a competitive market place for leadership talent. This change was also applied to 2022 outcomes.
- The STI deferral remains unchanged for the CEO with 33.4% paid in year two and 33.3% paid in years three and four; however, for the other Executive Committee members, STI deferral periods have gone from 50% in year two and 50% in year three to mirror the CEO's STI deferral periods.

On behalf of the board I would like to thank you for your continued support and invite you to read the full remuneration report in detail. We always appreciate and welcome feedback from our stakeholders.

Michael Sammells
Chair, Remuneration Committee

Remuneration report

This report details the remuneration framework and outcomes for Key Management Personnel (KMP) of AMP Limited for the year ended 31 December 2022. It has been prepared and audited in accordance with the disclosure requirements of the *Corporations Act 2001*.

1 SECTION REMUNERATION SNAPSHOT

1.1 KEY MANAGEMENT PERSONNEL

Name	Position	Term as KMP
Executive KMP		
Alexis George	Chief Executive Officer	Full year
James Georgeson	Chief Financial Officer	Full year
Scott Hartley	Chief Executive Officer, Australian Wealth Management	Full year
Sean O'Malley	Group Executive, AMP Bank	Full year
Nicola Rimmer-Hollyman	Chief Risk Officer	From 12 Feb 2022
David Cullen	Group General Counsel	Until 27 April 2022
Shawn Johnson	Chief Executive Officer, AMP Capital	Until 27 April 2022
Rebecca Nash	Chief People Officer	Until 27 April 2022
Phil Pakes[1]	Former Chief Risk Officer	Until 11 Feb 2022
Non-executive directors		
Debra Hazelton	Chair	Full year
Andrew Best	Non-Executive Director	From 1 July 2022
Rahoul Chowdry	Non-Executive Director	Full year
Michael Hirst	Non-Executive Director	Full year
Kathryn McKenzie	Non-Executive Director	Full year
Michael Sammells	Non-Executive Director	Full year
Andrea Slattery	Non-Executive Director	Full year
John O'Sullivan	Non-Executive Director	Until 8 April 2022

1 Phil Pakes' formal termination date was 1 May 2022. Termination payment details are included in Table 7.1 of this report.

The board carried out a review of the Executive KMP to reflect the simplified go-forward business and the way Alexis George has been running the core business since the Board announced the sale of the AMP Capital businesses on 27 April 2022. Following that review, the board determined that the following roles as Executive KMP from that date: Chief Executive Officer, Chief Financial Officer, Chief Executive Officer, Australian Wealth Management, Chief Risk Officer, Group Executive AMP Bank.

Consequently, the following roles ceased as Executive KMP from 28 April 2022:

- **Group General Counsel and Chief People Officer:** With the sale of AMP Capital businesses and simplification of AMP, these roles are now considered mostly advisory roles. The Chief Technology Officer (CTO) and Group Executive Transformation & Managing Director NZ, who form part of the Executive Committee, are also not considered to be KMP for similar reasons.
- **AMP Capital CEO:** After deciding to sell the AMP Capital businesses, the board concluded that the primary accountability of the AMP Capital CEO is to execute and close out the AMP Capital sale processes in order to optimise value for shareholders. Therefore, the role is not considered to be KMP from the date the sales were announced. The AMP Capital's CEO role will be made redundant in 2023 after the completion of the sales.

Peter Fredricson was appointed as Chief Financial Officer, effective 9 January 2023. This change has no impact on the 2022 remuneration disclosed in this report.

1.2 2022 REMUNERATION FRAMEWORK

The following diagram illustrates the remuneration framework that applied in 2022 to the AMP Executive Committee, which includes the Executive KMP.

It is underpinned by the remuneration governance, risk management and consequence management frameworks and is subject to overall AMP Board discretion. The remuneration framework was developed to strengthen and simplify AMP's overall approach to remuneration and work effectively within the context of AMP's strategic transformation. With the variable pay and extensive deferral included in the awards, emphasis is placed on the shareholder experience and compliance with regulatory frameworks and guidelines, including the Banking Executive Accountability Regime (BEAR). Effective from financial year 2023, the remuneration framework has been further enhanced to meet the requirements of APRA Prudential Standard CPS 511 (CPS 511) and strengthen the overall alignment with the interests of our stakeholders. Refer to Section 1.5 for further information.

OUR REMUNERATION PRINCIPLES

- Market competitive to attract the right people
- Reflect our purpose and values
- Differentiate for performance and adjust for risk
- Linked to strategy and sustainable value creation
- Balance interests of customers, people and shareholders

OUR REMUNERATION FRAMEWORK

ELEMENT	Fixed Remuneration (FR)	Short-Term Incentive (STI) [1]		Long-Term Incentive (LTI)
PURPOSE	Market competitive to attract and retain talent Takes executive skill and experience into account	**Cash:** Reward for achieving key financial and non-financial priorities that progress the strategy	**Equity:** Encourage retention and monitor latent risk related to the performance period	**Equity**: Align reward to shareholder success with upside for superior performance relative to market peers
AWARD MIX	Cash	60% cash	40% equity	Equity rights at face value
TARGET	Market median of relevant peer group	Target is 100% of FR [2] Max is 200% of Target (or 200% of FR) [2]		Up to 100% of FR in performance rights [2]
TIME FRAME	n/a	Cash paid following the performance year	Equity deferred over three years	Three-year performance period and additional one-year restriction
VESTING	On award	On award	33.3% in year two 33.3% in year three 33.4% in year four	Based on Total Shareholder Return (TSR) relative to ASX 100 financial organisations ex A-REITs over a three-year performance period with further 12-month restriction

1 The proportion of cash and equity deferred for 2022 is aligned with the 2023 framework that has been enhanced to meet the requirements of CPS 511.
2 The Chief Risk Officer's (CRO) STI target is 70% of FR (maximum is 200% of target or 140% of FR) and LTI maximum opportunity is up to 70% of FR.

Remuneration report

1.3 2022 SCORECARD AND OUTCOMES

	Financials	Strategic	Customer	People	Risk
PRIORITIES	FINANCIALLY ALIGNED 50%		NON-FINANCIAL 50%		
2022 OBJECTIVES	▸ Manage return on equity ▸ Improve profitability	▸ Grow AMP bank ▸ Grow the platform business ▸ Simplify the business through cost management ▸ Commence second tranche of capital return	▸ Deliver for our customers ▸ Improve our brand and reputation	▸ Improve employee engagement ▸ Build an inclusive culture	▸ Operate within risk appetite ▸ Embed risk culture
WEIGHTING	30%	20%	20%	20%	10%
PERCENTAGE OF OBJECTIVES ACHIEVED	45%	38%	78%	109%	100%
SCORECARD RESULT	68%				
STI POOL	AMP STI pool 70%[1] + 15% additional pool[2] = Total AMP STI pool of 85% of target[3]				
BOARD DISCRETION OVERLAY	The board considered a number of factors, including a risk overview and shareholder experience, and determined that funding the pool at this level is appropriate and equitably rewards the contribution of executives for the shareholder value that was created in 2022 (refer to Section 4 for further information on how the board makes remuneration decisions)				

1 The STI incentive pool excludes AMP Capital which is delivered through a profit share arrangement.

2 The board determined that 15% of the STI pool funding will be paid upon the commencement of the second tranche of capital return. Refer to section 3.2 for further information.

3 Where target is the midpoint of the overall incentive opportunity.

1.4 ACTUAL REMUNERATION REALISED IN 2022

Under AMP's remuneration framework in 2022, executives are eligible to receive a mix of fixed remuneration, STI (delivered 60% in cash and 40% deferred in share rights, aligned with the 2023 framework, see Section 1.5) and LTI (delivered 100% in performance rights).

The table below sets out the actual remuneration received during 2022 for those executives who were deemed KMP as at 31 December 2022 and the market value of any equity awarded in prior years (either as deferred STI and/or LTI) vesting during 2022.

This information differs from the statutory remuneration table which presents remuneration in accordance with Australian Accounting Standards. Statutory disclosures are included in Section 7.1.

Executive KMP	Year	Fixed[1] remuneration $'000	Cash STI paid[2] $'000	Other cash awards paid[3] $'000	STI & other equity awards vested[4] $'000	LTI equity awards vested[5] $'000	Benefits[6] $'000	Total remuneration received $'000
Alexis George	**2022**	**1,715**	**655**	**–**	**420**	**–**	**2**	**2,792**
	2021	714	172	733	1,317	–	–	2,936
James Georgeson	**2022**	**750**	**284**	**–**	**72**	**–**	**5**	**1,111**
	2021	750	186	450	33	–	1	1,420
Scott Hartley	**2022**	**900**	**297**	**–**	**–**	**–**	**1**	**1,198**
	2021	875	206	–	–	–	105	1,186
Sean O'Malley	**2022**	**600**	**204**	**–**	**48**	**–**	**4**	**856**
	2021	556	112	–	–	–	2	670
Nicola Rimmer-Hollyman[7]	**2022**	**517**	**151**	**–**	**–**	**–**	**–**	**668**
	2021	–	–	–	–	–	–	–

1 Fixed remuneration (FR) includes superannuation and salary sacrificed benefits and reflects the time in role during 2022.

2 Cash STI paid during the relevant year is based on outcomes related to the applicable year's performance and reflected for the relevant reporting period. Cash STI represents the portion of the total STI awarded to be paid as cash in March 2023. As outlined in Section 3.2, the board have decided to withhold a portion of the cash STI which will only be released upon the commencement of the second tranche of the capital return, therefore this amount has been excluded from this table. The remaining 40% of the STI award will be deferred in share rights in April 2023.

3 In 2021, James Georgeson received in October 2021 a cash payment as a part of the Portfolio Review retention awards granted in 2020. In 2021, the CEO Alexis George received sign-on cash to the value of $732,500 in December 2021. Full details of the sign-on awards are provided in the 2021 Remuneration Report.

4 The value of vested equity awards was calculated based on the units which vested multiplied by the five-day volume weighted average price (VWAP) up to and including the vesting date of each award. The amounts disclosed includes the portion of Alexis George's sign-on awards that vested during 2022 and 2021.

5 No LTI equity awards were performance tested or vested during 2022 or 2021.

6 Other benefits may include non-monetary benefits and any related FBT exempt and FBT payable benefits, excluding salary sacrificed benefits.

7 The FR for Nicola Rimmer-Hollyman reflects her current KMP and prior non-KMP role.

Remuneration report

1.5 LOOKING TO 2023

Executive Remuneration Framework for 2023

In 2021, APRA released the remuneration prudential standard CPS 511 which AMP is required to comply with from 1 January 2023. CPS 511 is designed to heighten the governance requirements on entities' remuneration arrangements in response to remuneration practices in the financial services industry that have been a factor driving poor consumer outcomes.

In ensuring AMP complies with the new requirements, the Board has undertaken a comprehensive review of its approach to executive remuneration and governance. As a part of that process, we have extensively engaged with a broad range of stakeholders including APRA, shareholder advisory service firms and our largest shareholders (representing approximately 20% of issued capital). These meetings were held over the second half of 2022, to seek feedback and consider opportunities to further enhance the effectiveness of the KMP remuneration structure. Over the consultation period, 13 stakeholder meetings were held in total.

Following the completion of that review and in line with the requirements of CPS 511, we made the following changes to the executive remuneration framework that applies to the CEO and Executive Committee (which includes the Executive KMP), effective 1 January 2023.

Short-Term Incentive STI

	Former	Future
STI award mix[1]	Cash 40% / STI deferral 60%	Cash 60% / STI deferral 40%
STI deferral period[1] – CEO	Year 2: 33.3% / Year 3: 33.3% / Year 4: 33.4%	No change
STI deferral period[1] – Executive committee	Year 2: 50% / Year 3: 50%	Year 2: 33.3% / Year 3: 33.3% / Year 4: 33.4%

Rationale

The balance between cash and equity, and the vesting period of deferred remuneration, has been adjusted. In light of the other changes we have made to our framework (see LTI below), the cash and equity balance has been revised so that our remuneration framework remains market competitive and keeps our current executives engaged and motivated. With the final CPS 511 standard being released and confirmation of our approach to LTI, we have adjusted both the cash and equity mix, and the STI vesting periods to apply to remuneration that is deferred and granted from 1 January 2023 (ie. the STI changes were also applied to the 2022 outcomes). These changes have been considered in totality with the other changes made.

Long-Term Incentive LTI

LTI vesting period	Former	Future
CEO	Three-year performance period plus one-year restriction period	Three-year performance period plus up to three-year restriction period (pro-rata)
Executive committee	Three-year performance period plus one year restriction period	Three-year performance plus up to two-year restriction period (pro-rata)

Rationale

CPS 511 sets out minimum deferral periods for specified roles, including the CEO and Senior Managers, which corresponds to AMP's Executive Committee level. For the CEO, CPS 511 requires that at least 60% of the CEO's total variable reward (ie. across STI and LTI) must be deferred over a minimum deferral period of six years, vesting no faster than on a pro-rata basis and only after four years. For Senior Managers (which is equivalent to AMP's Executive Committee level), CPS 511 requires at least 40% of the total variable reward be deferred over a minimum deferral period of five years, vesting no faster than on a pro-rata basis and only after four years. Having longer deferral periods reflects the length of time, risk and conduct issues can take to appear and crystallise.

1 The changes to the STI Award Mix and Deferral Period were also applied to 2022 outcomes.

1.5 LOOKING TO 2023 *continued*

Long-Term Incentive LTI

Former	Future
LTI metrics	
Financial 100%	Financial 70% / Non-financial 30%
100% **Relative Total Shareholder Return** (ASX100 Financials less A-REITs)	35% **Relative Total Shareholder Return** (ASX200 Financials less A-REITs) 35% **EPS Growth** (Adjusted EPS) 30% **Reputation** (RepTrak score improvement relative to a comparator group taken from RepTrak's Benchmark 60 Index)
	Each performance metric has a vesting schedule from a minimum threshold level through to a maximum level.

Rationale

CPS 511 requires that total variable reward must give material weight to non-financial measures. The Board considered a range of potential LTI measures and concluded that Relative Total Shareholder Return (RTSR), adjusted Earnings Per Share (EPS) Growth and Reputation are appropriate measures for driving long term sustainable performance. The Board has selected these measures for the following reasons:

- **RTSR:** The board considers RTSR to be an appropriate measure as it provides a robust measure of AMP management's financial performance and returns for shareholders in comparison to other companies. Being a relative measure it normalises against the rise and fall of the market. The RTSR peer group has been expanded to cover S&P ASX200 Financials ex A-REITs, as the Board considers this a more appropriate peer group given the reduction in the size of the company post the sales of the AMP Capital businesses, our current market capitalisation and who we compete with in the financial services industry.
- **EPS Growth:** In response to several stakeholders' feedback regarding a long-term return measure, EPS has been introduced. The board are of the view that EPS Growth is an appropriate proxy for measuring intrinsic long-term shareholder value creation. In introducing EPS Growth, management are assessed on their direct financial contribution.
- **Reputation:** The board is highly cognisant of the shareholder experience over recent years, which has been impacted by organisational instability, poor customer experiences and reputation related events, which have impacted on AMP's reputation and share price. Rebuilding trust with our stakeholders and restoring the AMP brand remains paramount. The board has selected reputation as a measure for the LTI, measured using external data provided by RepTrak, an independent company that measures brand reputation and sentiment through surveying members of the community. This can include AMP customers, shareholders and employees at any given time. The RepTrak measure tracks corporate reputation across a broad range of areas, including scores for ESG performance, products and services, corporate citizenship, conduct, workplace, leadership and innovation. With risk and conduct being a key consideration under CPS 511, measuring our reputation provides an all encompassing measure of brand awareness, our contribution to society and shareholder wealth creation. RepTrak has been a part of the AMP Scorecard for STI purposes for the past couple of years and is measured on an absolute basis in the STI.

  In order to meet the requirements of a material weighting to non-financial measures in CPS 511, the board also included a RepTrak measure for LTI purposes, measured on a relative basis to track the long-term improvement in our score relative to the chosen comparator group. This ensures that management's performance is measured on a basis that removes the impacts and/or influences of the market (ie. removing the likelihood of a scenario where favourable market factors benefit all market participants). Including RepTrak in both the STI and LTI ensures that management are focused on both absolute and relative performance.

In selecting the performance measures that apply to the LTI, the board also considered a broad range of metrics but ultimately determined that RTSR, adjusted EPS Growth and the recovery of our reputation and rebuilding trust with our shareholders, customers and the community is a key enabler to long-term sustainable business performance and shareholder value creation.

1.5 LOOKING TO 2023 *continued*

Future

Long-Term Incentive LTI

Targets

Relative Total Shareholder Return (RTSR)

35% of the 2023 LTI award will be determined based on AMP's Compound Average Growth Rate (CAGR) in Total Shareholder Return (TSR) relative to a peer group of ASX 200 financial companies excluding A-REITs, as at 1 January 2023. RTSR performance is tested over a three-year performance period from 1 January 2023 through to 31 December 2025.

The performance rights will vest according to the following vesting schedule:

CAGR TSR performance	Proportion of LTI grant vesting
AMP's TSR ranking below the 50th percentile of the peer group	0%
AMP's TSR ranking at the 50th percentile of the peer group	50%
AMP's TSR ranking between the 50th and 75th percentile of the peer group	Straight-line vesting from 50% to 100% (rounded to nearest whole percentile)
AMP's TSR ranking is at least at the 75th percentile of the peer group	100%

The board considers RTSR to be an appropriate measure as it provides a robust measure of AMP's financial performance and returns for shareholders in comparison to other companies. Being a relative measure, it normalises against the rise and fall of the market. The RTSR peer group for the 2023 LTI award has been expanded to cover S&P ASX200 Financials excluding A-REITs.

The peer group consists of the following organisations:

Peer group as at 1 January 2023 S&P ASX200 Financials excluding A-REITs

AMP	Bendigo & Adelaide Bank	Insignia Financial	National Australia Bank	QBE Insurance
ANZ Bank	Challenger	Insurance Australia Group	Netwealth Group	Steadfast
ASX	Commonwealth Bank	Macquarie Group	nib holdings	Suncorp
AUB Group	Credit Corp Group	Magellan Financial Group	Perpetual	Virgin Money UK PLC
Bank of Queensland	HUB24	Medibank	Pinnacle Investment Management	Westpac

The board considers this an appropriate peer group given the reduction in the size of the company upon completion of the sales of the AMP Capital businesses, our current market capitalisation, and our competitors in the financial services industry.

Adjusted Earnings Per Share (EPS)

35% of the 2023 LTI award will be determined based on AMP's Compound Average Growth Rate (CAGR) in AMP's Adjusted EPS. EPS is calculated by dividing the AMP's adjusted net profit after tax for the relevant reporting period by the weighted average number of ordinary shares of AMP during the period. The underlying net profit after tax may be adjusted by the board, where appropriate, to better reflect underlying performance and remove one-off gains and losses. EPS performance is tested over a three-year performance period from 1 January 2023 through to 31 December 2025. The performance rights will vest according to the following vesting schedule:

CAGR EPS performance	Proportion of LTI grant vesting
AMP's EPS below 4% per annum	0%
AMP's EPS at 4% per annum	50%
AMP's EPS from 4% to 8% per annum	Straight-line vesting from 50% to 100% (rounded to nearest whole percentile)
AMP's EPS above 8% per annum	100%

The targets are set based on market norms and expectations for EPS growth. The board are of the view that the targets set are robust, sufficiently challenging and in line with our shareholders' interests and expectations.

Overview
Business review
Directors' report
Financial report
Additional information

1.5 LOOKING TO 2023 *continued*

Future 2023

Long-Term Incentive LTI

Reputation

30% of the 2023 LTI award will be determined based on AMP's RepTrak Score improvement relative to a subset of 15 organisations positioned similarly to AMP in RepTrak's Benchmark 60 Index, as at 1 January 2023. The RepTrak Benchmark 60 index is a group of organisations RepTrak has been measuring consistently over a long period of time, selected based on revenue and market presence. AMP's RepTrak performance will be tested over a three-year performance period from 1 January 2023 through to 31 December 2025. As at 1 January 2023, the RepTrak score for AMP is 57.8 and will be used as the starting point for testing purposes.

The performance rights will vest according to the following vesting schedule:

RepTrak Score Improvement	Proportion of LTI grant vesting
AMP's RepTrak improvement below the 50th percentile of the peer group	0%
AMP's RepTrak improvement at the 50th percentile of the peer group	50%
AMP's RepTrak improvement ranking between the 50th and 75th percentile of the peer group	Straight-line vesting from 50% to 100% (rounded to nearest whole percentile)
AMP's RepTrak improvement ranking above the 75th percentile	100%

The comparator group for measuring RepTrak improvement consists of the following organisations:

Peer Group Companies				
AGL Energy	Australian Taxation Office	National Australia Bank	Optus	RioTinto
Alinta	Commonwealth Bank	NBNCo	Origin	Telstra
ANZ Bank	Medibank Private	News Corp Australia	Reserve Bank of Australia	Westpac

The selection of organisations that form the comparator group have been carefully considered. The board is of the view that a meaningful movement in reputation is best measured by how we perform against a comparator group that includes a reasonable representation of financial services organisations and organisations from across industries. This is in line with our aspiration to be a trusted brand and continue focusing on our contribution to society. Therefore, it is appropriate to compare our reputation against a broader set of organisations.

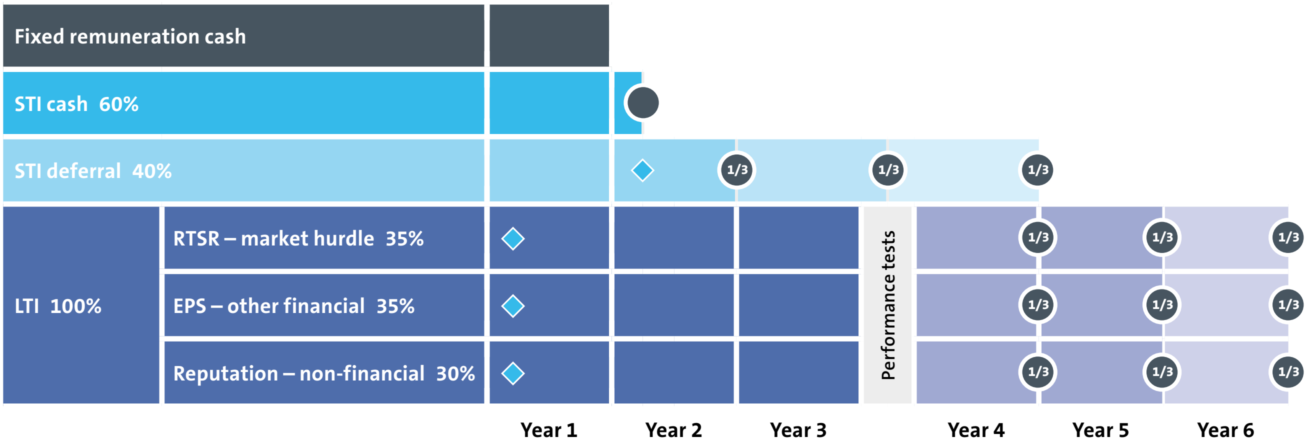
Remuneration report

1.5 LOOKING TO 2023 *continued*

New framework

The new framework is illustrated as follows:

CEO



Group Executive KMP

In making these adjustments to the executive remuneration framework as a result of the CPS 511 regulatory changes, the board has sought to ensure that these changes continue to reflect our core remuneration principles (see section 1.2), attract and retain executive talent, support the AMP strategy and deliver value to shareholders.

1.5 LOOKING TO 2023 *continued*

2023 scorecard

For 2023, we have listened to market feedback regarding increasing the weighting of financial objectives to 40% focused on profitability. In addition, we have sought to strike the right balance between financial and non-financial objectives, yet maintain a material weighting to non-financial measures in total variable reward as required by CPS 511. This is partly achieved by having an appropriate weighting of financial and non-financial measures in the 2023 scorecard. While the key result areas remain consistent for 2023, their respective weightings, along with the objectives and measures, have changed. The scorecard ensures clarity and alignment of collective goals and increases focus on the successful achievement of our critical objectives and financial outcomes.

2023 SCORECARD

Key result areas	Weighting	Objectives	Metric
Financially aligned			
Financial	40%	✓ Profitability	Net profit after tax (statutory) Net profit after tax (underlying)
Strategy	20%	✓ Grow bank profitability ✓ Deliver wealth management strategic priorities ✓ Create portfolio of new growth options	Bank strategic objectives tracking to plan Wealth Management strategic objectives tracking to plan Tracking to approved business benefits case, including mission timeline
Non-financial			
Customer	15%	✓ Improve our brand and reputation ✓ Deliver to our customers	Improvement in absolute RepTrak score Customer satisfaction
People	15%	✓ Improve employee engagement ✓ Build an inclusive culture	Employee satisfaction Inclusion index Gender diversity
Risk	10%	✓ Effective risk management ✓ Deliver a culture that respects risk	Effective management of risks Risk culture maturity assessment
	100%	The overall AMP performance scorecard outcome is subject to board discretion and a risk overview, and is one aspect the board considers in assessing overall performance and determining the incentive pool for STI outcomes	

Remuneration report

2 SECTION REMUNERATION STRATEGY AND FRAMEWORK

2.1 REMUNERATION STRATEGY

The goal of the AMP remuneration strategy is to align performance, prudent risk management and reward outcomes. It is designed to support the attraction, retention and reward of high-performing talent required to deliver strong customer outcomes, sustained returns to shareholders and foster an environment where our employees can thrive. At the beginning of each year the board sets the scorecard for the year to support the achievement of the business strategy. The scorecard consists of five key strategic priorities as outlined below and the board determines the appropriate objectives, metrics and targets. Business unit scorecards are aligned to AMP priorities and performance is assessed on overall, business unit, team and individual goals. Outcomes awarded under our remuneration framework reflect both **what** our strategy seeks to deliver and **how** it is delivered, as performance assessment explicitly considers not only the strategic priorities delivered but also relies on the visible demonstration of our desired culture, purpose and values, and conduct expectations. The remuneration principles provide AMP with the flexibility to address the challenges in attracting and retaining talent, remaining competitive and differentiating for performance. These principles are reviewed on a regular basis to ensure they remain fit for purpose and will be used by the board in annual assessments of the effectiveness of AMP's remuneration strategy and framework.

OUR REMUNERATION PRINCIPLES

Market competitive to attract the right people	Reflect our purpose and values	Differentiate for performance and adjust for risk	Linked to strategy and sustainable value creation	Balance interests of clients, people and shareholders

1. AMP PURPOSE

2. AMP STRATEGY

3. BUSINESS UNIT STRATEGY
- AWM
- Bank
- NZWM
- AMPC
- Enabling functions

4. KEY RESULT AREAS
- **Financials**
- **Strategy**
- **Customer**
- **People**
- **Risk**

5. DELIVER AND TRACK

Plan
- Set AMP scorecard for year ahead
- Set business area scorecard aligned to AMP scorecard

Track
- Track progress quarterly
- Review and overlay qualitative risk assessment quarterly

Report
- Report progress to board quarterly

6. PERFORMANCE ASSESSMENT

What

AMP scorecard and other outcomes

Business unit scorecard

Individual performance assessment

How

Values and behaviours

Personal risk management

Operating rhythms to check in, assess, course correct, including setting and tracking of stretch goals

7. REWARD

The board determines the AMP incentive pool based on a holistic assessment of company performance

The CEO can determine if any adjustments will be made for business units

Individual outcomes based on AMP incentive pool and individual performance assessment, are recommended by the:
- CEO for each Executive Committee member
- the Chair of the AMP board for the CEO

8. SHAREHOLDER EXPERIENCE

Long-term incentive through performance rights

Vests based on financial and non-financial performance

Demonstrate desired conduct and risk behaviours and outcomes

2.2 REMUNERATION FRAMEWORK

Remuneration mix

A significant portion of total remuneration is deferred to reflect the need to balance the reward, retention and motivation of executives whilst aligning to shareholder experience and long-term value creation. By deferring variable reward, executives are held accountable (individually or collectively) over the long term as the board has the ability, if appropriate, to adjust past, present and future remuneration downwards through clawback and malus (refer to sections 4.2 and 4.3 for further information). The remuneration mix for the CEO and Executive Committee members (excluding the CRO) at maximum opportunity delivers 75% of total remuneration as variable reward and 'at risk' remuneration. The CRO's remuneration mix is different to the other Executive Committee members in order to maintain the independence of the role and safeguard against any conflicts of interest in carrying out the risk control function across the organisation.

CEO and other Executive Committee members

Fixed Remuneration	25%
STI Cash	30%
STI Deferred Share Rights	20%
LTI Performance Rights	25%

Chief Risk Officer

Fixed Remuneration	32%
STI Cash	27%
STI Deferred Share Rights	18%
LTI Performance Rights	23%

2022 SHORT-TERM INCENTIVE

OVERVIEW

STI is the variable reward at-risk component designed to motivate and reward for performance during the year. Refer to Section 1.5 for further information on the 2023 STI.

STI OPPORTUNITY

Target STI opportunity is 100% of fixed remuneration (FR) for the CEO and Executive KMP (70% of FR for the CRO). Maximum STI opportunity is 200% of target.

AWARD DETERMINATION

STI OPPORTUNITY: FR $ x Target STI opportunity % = Target STI opportunity $

x

STI OUTCOME: STI pool outcome → Adjusted for individual performance and behaviours → Risk overview = Individual STI outcome

STI outcomes are determined with reference to the holistic performance of AMP and the AMP incentive pool, and Executive KMP individual performance and behaviours. The AMP incentive pool is determined by the Board based on:

- A scorecard comprising financials, strategy, customer, people priorities and objectives that supports AMP's risk management framework.
- Other outcomes including shareholder value creation.
- Behaviour in line with AMP's values, conduct and risk appetite.

The board considers both the achievement of the risk metrics as well as a risk overview when determining the incentive pool.

DELIVERY

60% of the STI award is delivered as cash and 40% is deferred into equity.[1]

Deferred STI is delivered as conditional share rights that represents the right to receive a fully-paid ordinary AMP share for nil consideration subject to continued employment at the time of vesting.

VESTING PERIOD

	2022	2023	2024	2025	2026
CEO and KMP Executives	Performance		33.3%	33.3%	33.4%

FORFEITURE (MALUS)

The board has the ability to adjust and lapse unvested equity (including downwards to zero) in a range of circumstances, such as protecting financial soundness or responding to unexpected or unintended consequences that were unforeseen (such as material risk management breaches, unexpected financial losses, reputational damage or regulatory non-compliance). Refer to section 4.3 for further information on how the board considers adjusting remuneration for material risk and conduct events.

1 Applied to 2022 outcomes to align with 2023 STI deferral.

Remuneration report

2.2 REMUNERATION FRAMEWORK DETAILS *continued*

2022 LONG-TERM INCENTIVE

OVERVIEW

LTI awards granted during 2022 by the board in the form of performance rights that vest subject to a relative Total Shareholder Return (TSR) against a peer group. Refer to section 1.5 for further information on the 2023 LTI.

LTI OPPORTUNITY

The allocation value of LTI awards that was granted during 2022 to Executive KMP:

- 100% of FR for Executive KMP.
- 70% of FR for the Chief Risk Officer.

ALLOCATION METHODOLOGY

Face value with the number of performance rights granted based on the Volume Weighted Average Price (VWAP) of shares during the 10-trading day period up to 1 January 2022.

LTI OPPORTUNITY							LTI GRANT		
FR $	x	LTI opportunity %	=	LTI opportunity $	÷		10-day VWAP (face value allocation)	=	Number of performance rights granted

PERFORMANCE PERIOD

1 January 2022 to 31 December 2024 with a further one-year restriction period subject to continued service (comprising a total vesting period of four years).

PERFORMANCE HURDLES

Measure

The 2022 LTI award is subject to a relative TSR measure, where AMP's Compound Average Growth Rate (CAGR) in Total Shareholder Return relative to peer group of S&P/ASX100 financial companies, excluding A-REITs as at 1 January 2022.

Companies that are no longer part of the index at the end of the performance period (for instance, due to acquisition or delisting) may be removed from the peer group.

Test

Percentile rank achieved	Proportion of award vesting
< 50th percentile	0%
50th percentile	50%
> 50th percentile and < 75th percentile	50% plus 2% for each additional percentile (rounded to the nearest whole percentile)
≥ 75th percentile	100%

Vesting

Vesting of LTI is subject to a continued employment with AMP at the vesting date.

Unvested rights will lapse if an executive resigns before the performance hurdles are tested. Should an executive cease employment for any other reason, any unvested rights will be retained and vest in the ordinary course subject to the original performance conditions.

RETESTING

There is no retesting if the performance hurdle is not met.

DIVIDEND ENTITLEMENTS

No dividend is paid or payable on any unvested rights or vested and unexercised rights.

FORFEITURE CONDITIONS

If an executive is terminated for cause or gives notice of resignation to AMP before the vesting date, all vested rights (or restricted shares) will lapse or be forfeited, unless the board determines otherwise. In all other cases, unless the board determines otherwise:

- A pro rata portion of the executive's performance rights (calculated based on the portion of the performance period that has elapsed up until the date of termination) will remain on foot to be tested in the ordinary course.
- All restricted shares allocated to the executive on vesting of the performance rights will remain on foot until the end of the 12-month restriction period.

CLAWBACK/MALUS

The board retains the discretion to adjust downwards and lapse the unvested portion of any LTI award, including to zero.

3 SECTION

PERFORMANCE AND REWARD OUTCOMES

3.1 SUMMARY OF 2022 OUTCOMES

The table below illustrates AMP's performance over the past five years and remuneration outcomes.

	2018	2019	2020	2021	2022
Financial results					
Profit (loss) after tax attributable to shareholders ($m)	28	(2,467)	177	(252)	**387**
Net profit after tax (underlying) ($m)[1]	680	439	233	356	**184**
Cost to income ratio (%)[1]	56	66	76	67	**72**
Shareholder outcomes					
Total dividends paid during the year (cents per share)	14	–	10	–	**–**
Share price at 31 December ($)	2.45	1.91	1.56	1.01	**1.31**
Remuneration outcomes					
Relative TSR percentile[2]	8th	–	–	n/a	**n/a**
LTI vesting outcome (% of grant)	–	–	–	n/a	**n/a**
Average STI received by Executive KMP (as % of target opportunity)[3]	–	46	–	39	**88**
Average STI received by Executive KMP (as % of maximum opportunity)	–	23	–	20	**44**

1 NPAT (underlying) represents shareholder attributable net profit or loss after tax after excluding non-recurring revenue and expenses. Note, NPAT (underlying) and associated cost to income ratio for financial years 2018 – 2021 are as reported and have not been restated to reflect the removal of AMP Capital discontinued operations from NPAT (underlying).

2 No LTI grants were tested during 2021 and 2022.

3 The average STI received by Executive KMP excludes Shawn Johnson who is eligible for 1.2% of AMP Capital modified profit pro rated for time in role and does not represent a percentage of a STI opportunity. The average STI outcome is higher in 2022 than 2021, as this table reflects the KMP as at the reporting date and due to a smaller KMP cohort for 2022, the average is higher.

3.2 PERFORMANCE OBJECTIVES AND ASSESSMENT

As part of the board's commitment to provide increased transparency regarding the financial and non-financial objectives, detailed below are objectives and measures used to assess company and executive performance. The scorecard is underpinned by five key priorities, which have objectives, metrics and targets that were set at the beginning of 2022. Achievements against these objectives were used by the board as one of the key inputs in determining the incentive pool (excluding AMP Capital).

Finance

WEIGHTING	% ACHIEVED	WEIGHTED OUTCOME
30%	45%	13.5%

Financial performance was assessed on three measures.

Return on equity of 9.0% was below the target.

AMP's statutory net profit for the year was $387m and included the proceeds of the AMP Capital sale of the infra-debt business.

AMP delivered an underlying net profit of $184m supported by strong earnings in AMP Bank, continuing growth in the Platforms business and a strong contribution from our strategic partnership with China Life Pension Company.

OBJECTIVE	METRIC
Manage return on equity	Return On Equity (statutory)

ACHIEVEMENT


OBJECTIVE	METRIC
Improve profitability	Net Profit After Tax (statutory)

ACHIEVEMENT


OBJECTIVE	METRIC
Improve profitability	Net Profit After Tax (underlying)

ACHIEVEMENT


3.2 PERFORMANCE OBJECTIVES AND ASSESSMENT *continued*

Strategy

WEIGHTING	% ACHIEVED	WEIGHTED OUTCOME
20%	38%	7%

Bank experienced good growth during the year, however in response to market conditions, we focused on sustainable growth rather than pursue a mortgage book growth target at the cost of profitability.

Our North platform is increasing the percentage of cash flows from the independent financial adviser market and we have made good progress in our financial advice business, as we continue the repositioning of the business as a professional services provider to aligned financial advisers.

As a result of our strengthened capital position, we commenced the return of $1.1b to shareholders. We completed $267m of an announced $350m on-market buy-backs, with further capital return to take place subject to shareholder and regulatory approval. In 2022, we continued to control costs and delivered against our three-year cost out transformation objective.

OBJECTIVE	METRIC
Grow the bank	Mortgage book growth
Grow the Platform business	Net cashflow total platforms
Commence second tranche of capital return	Tracking to plan (RAG)
Simplify the business	Achieve target total cost base

Remuneration report

3.2 PERFORMANCE OBJECTIVES AND ASSESSMENT *continued*

Customer

WEIGHTING	% ACHIEVED	WEIGHTED OUTCOME
20%	78%	15.5%

AMP recorded a RepTrak score of 57.2 which was an improvement on our 2021 score of 55. This is our highest year end result since the 2018 royal commission into the financial services industry, demonstrating that our reputation is recovering and trending upwards. The NPS score was 23 and despite not achieving target, good progress continues to be made with call centre wait times and operational service improving. New processes were introduced to assist customers online, including improvements to mortgage processing time and the launch of a direct-to-customer, rapid-approval digital mortgage product, resulting in overall enhanced digital and customer experiences.

OBJECTIVE	METRIC
Improve our brand and reputation	Reputational score RepTrak

ACHIEVEMENT

OBJECTIVE	METRIC
Deliver to our customers	Customer NPS

ACHIEVEMENT

People

WEIGHTING	% ACHIEVED	WEIGHTED OUTCOME
20%	109%	22%

2022 continued to present challenges and uncertainty for our people through ongoing transformation and the sale of AMP Capital businesses. Notwithstanding, our employee satisfaction survey participation rates and scores increased to the highest in five years, 79% and 73 respectively, a two-point improvement from last year. We achieved our inclusion index and exceeded our gender diversity target of 40:40:20, with female representation at 45%. Evidence of our commitment to being a values-led organisation that supports our people, through a diverse and inclusive culture.

OBJECTIVE	METRIC
Improve employee engagement	Employee satisfaction

ACHIEVEMENT

OBJECTIVE	METRIC
Build an inclusive culture	Inclusion index

ACHIEVEMENT

OBJECTIVE	METRIC
Build an inclusive culture	Gender diversity tracking (for senior executives)

ACHIEVEMENT

3.2 PERFORMANCE OBJECTIVES AND ASSESSMENT *continued*

Risk

WEIGHTING	% ACHIEVED	WEIGHTED OUTCOME
10%	100%	10%

Overall risk scorecard performance declined slightly. The risk culture assessment was on target, with all areas of focus showing improvement over the year. Performance against risk appetite showed a slight decline, reflecting some metrics moving out of appetite due to holding excess capital as a result of the sales of the AMP capital business. We continue to work towards returning further capital to shareholders, subject to approvals.

OBJECTIVE	METRIC
Operate within risk appetite	95–100% compliance within stated risk appetite, and action plans where appropriate

ACHIEVEMENT

Significantly below | Below | Achieved | Exceeded

OBJECTIVE	METRIC
Embed Risk Culture	Risk Culture self-assessment

ACHIEVEMENT

Significantly below | Below | Achieved | Exceeded

BOARD DISCRETION AND INCENTIVE POOL DETERMINATION

The overall scorecard outcome was 68%. This is a solid result in a challenging year with the uncertainty of the macroeconomic environment, the continuing impacts of the pandemic and the decision to sell AMP Capital infrastructure and real estate businesses rather than pursue a demerger. The board determined an incentive pool of 70%. However, considering the results achieved under the CEO and Executive Committee's stewardship, the board have applied discretion and awarded an additional 15% that will be withheld (against the cash portion of the STI) until the commencement of the second tranche of capital return. This reflects the need to balance the reward, retention and motivation of employees whilst recognising and aligning to shareholder experience over the period. In arriving at a decision, the board especially considered progress on:

- Shareholder value creation – AMP's total shareholder return over the past 12 months was +30.2%.
- Portfolio strategy – significant progress on simplifying the portfolio, repositioning our core businesses in wealth management and retail banking and progress in executing the AMP Capital divestment strategy.
- Improving risk management and customer satisfaction, notwithstanding ongoing transformation and transactions.
- Improving employee engagement to 73, the highest in five years.
- Continued improvement in our reputation score, evidence our reputation is recovering.

SCORECARD RESULT
68%

POOL
70%
+
15%
WITHHELD
=
85%
TOTAL POOL

Remuneration report

3.3 ADJUSTMENT PRINCIPLES

The board may, in its absolute discretion, adjust outcomes where an event occurs that means the targets of the relevant scorecard objective are no longer appropriate. Situations where this discretion to adjust can be applied include:

- Material change to the strategic business plan.
- Material regulatory or legislative change.
- Material changes in external market or natural disasters.
- Significant out of plan business development such as acquisitions and divestments.

Adjustments should reflect the holistic contribution of employees/Executive KMP and exclude significant costs or gains that were unforeseen, were not in the ordinary course of business or were not the direct result of Executive KMP efforts. For 2022, no adjustments were made to any of the outcomes for the metrics making up the 2022 scorecard. The board did exercise discretion in determining the pool, refer to section 3.2 for further information.

3.4 EXECUTIVE AND EMPLOYEE PERFORMANCE AND CONTRIBUTION

For the Executive Committee, performance is assessed based on AMP and their business unit scorecards. In this way, an executive's performance is aligned to both company and their individual business unit performance. Their individual performance, conduct and how they demonstrate the values is also considered when determining the individual STI outcome. For all other employees, their performance assessment reflects achievement against agreed goals and objectives set based on the AMP key result areas combined with consideration of risk management, values and conduct in line with the performance management process and Code of Conduct. An individual's incentive opportunity and performance rating determine the portion of the incentive pool allocated to them.

3.5 SHORT-TERM INCENTIVES AWARDED

The following table shows the STI awarded to current and former Executive KMP for the 2022 performance year. It differs from the statutory table in Section 7.1 which is prepared according to Australian Accounting Standards.

				Total Cash – 60%		Deferred equity – 40%		
	Fixed remuneration (FR) $'000	Pro rated target STI opportunity[1] $'000	Total STI outcome awarded[2] $'000	Cash to be paid in March 2023[3] $'000	Cash withheld[3] $'000	To be delivered in share rights[3] $'000	STI awarded as % of pro rated target STI opportunity[4] %	STI awarded as % of pro rated max STI opportunity[4] %
Executive KMP								
Alexis George	1,715	1,715	1,520	655	257	608	89%	44%
David Cullen	750	240	212	91	36	85	88%	44%
James Georgeson	750	750	660	284	112	264	88%	44%
Scott Hartley	900	900	720	297	135	288	80%	40%
Shawn Johnson[5]	950	n/a	354	159	53	142	n/a	n/a
Rebecca Nash	700	224	197	85	33	79	88%	44%
Sean O'Malley	600	600	490	204	90	196	82%	41%
Nicola Rimmer-Hollyman	600	336	336	151	51	134	100%	50%
Total STI awarded			**4,489**	**1,926**	**767**	**1,796**		

1 For David Cullen, Rebecca Nash and Nicola Rimmer-Hollyman, the prorated opportunity reflects their prorated FR and incentive opportunities in line with their KMP period.

2 The STI outcome awarded is based on performance during 2022 and reflects their outcome in line with their KMP period.

3 Of the STI awarded, 60% is delivered in cash and 40% is delivered in share rights that will be granted in March 2023. However, as outlined in Section 3.2, the board have withheld a portion of the cash STI which will only be paid upon the commencement of the second tranche of the capital return, excluding ordinary dividends declared in the normal course.

4 Represents the STI award as a percentage of the pro rated target and max STI opportunity (which is 200% of target).

5 Shawn Johnson is eligible for 1.2% of AMP Capital modified profit prorated for time in role and does not represent a percentage of a STI opportunity. The outcome included under the Total STI outcome column has been prorated in line with his KMP period. 60% of the STI is paid in cash and the remaining 40% delivered in AMP share rights. In line with the other Executive Committee members, a portion of the cash STI will only be paid upon the commencement of the second tranche of the capital return.

4 SECTION

REMUNERATION GOVERNANCE

4.1 GOVERNANCE FRAMEWORK

There are a number of remuneration governance and oversight processes in place at AMP, primarily exercised through the AMP Limited Board, subsidiary boards and the Remuneration Committee. The Remuneration Committee assists the various boards to fulfil their remuneration obligations by developing, monitoring and assessing remuneration strategy, policies and practices across AMP. Members of the Remuneration Committee are independent non-executive directors. More information on the role of the Remuneration Committee can be found in the corporate governance section of AMP's website. The board believes that to make prudent remuneration decisions, it needs both a robust framework and the ability to exercise judgement. Therefore, the board has adopted a remuneration adjustment framework to guide the board in determining the appropriate remuneration outcomes. Refer to Section 4.3 for further information on the remuneration adjustment guideline. From time to time the Remuneration Committee may seek external guidance or benchmarking information from independent remuneration advisers. Any advice provided by external advisers is used as a guide and is not a substitute for consideration of all the issues by each non-executive director of the Remuneration Committee. The Remuneration Committee did not engage any independent remuneration advisers who provided remuneration recommendations, as defined in the Corporations Act. The following diagram outlines AMP's remuneration governance framework.

REMUNERATION GOVERNANCE FRAMEWORK

AMP LIMITED BOARD

AMP SUBSIDIARY BOARDS

Risk and Compliance Committee

Assists the board with oversight of the implementation and operation of AMP's risk management framework.

Makes recommendations to the Remuneration Committee on:

- Risk-related adjustments for remuneration outcomes.
- Risk-related adjustments for the incentive pool.
- Risk-related matters that may require the application of malus or clawback or in-year reduction to incentives.

Remuneration Committee

Advises the AMP Board and the boards of AMP subsidiaries in setting and overseeing AMP's remuneration policy and practices. Key responsibilities include:

- Reviewing AMP's remuneration policy, including effectiveness and compliance with regulatory requirements.
- Reviewing the remuneration arrangements, performance objectives, measures and outcomes for executives and senior management.
- Reviewing the remuneration arrangements for non-executive directors.
- Reviewing AMP's remuneration disclosures;
- Overseeing all incentive plans.
- Reviewing and making recommendations in relation to equity awards, including malus and clawback.

Management

The CEO makes recommendations to the Remuneration Committee on the performance and remuneration outcomes for her direct reports.

Management advises the Remuneration Committee and provides information on remuneration related matters.

Independent remuneration advisers

The Remuneration Committee may engage remuneration advisers when it needs additional information to assist the AMP Board in making remuneration decisions.

Remuneration report

4.2 RISK MANAGEMENT IN REMUNERATION

The board has a range of mechanisms available to adjust remuneration and incentive outcomes to reflect behavioural, risk or compliance outcomes. The table below summarises the range of mechanisms available and their intended operation.

Risk assessment	Risk and conduct outcomes	Malus and clawback provisions	Board discretion
Enterprise and business unit levels	**All employees**	**All incentive plans**	
The Chief Risk Officer (CRO) reports at each of the standing Remuneration Committee meetings, the overall assessment of risk management at the conclusion of the performance year as an input to the determination of the incentive pool. At the conclusion of each performance year, the Chair of the Risk and Compliance Committee (who is also a member of the Remuneration Committee) provides an overview of the key issues considered by the Risk and Compliance Committee that are likely to be relevant to assessing the remuneration outcomes for the CEO and Executive Committee members by the Remuneration Committee.	Employees' risk management behaviour and conduct is specifically considered as part of their performance assessment and in the determination of remuneration outcomes. The consequence management framework ensures that behaviour which does not meet expectations is actively and consistently managed, including adjustments to past, present and future remuneration if appropriate.	Allows the board to adjust and lapse (malus) unvested equity awards or reclaim (clawback) vested incentives in certain circumstances. All deferred incentives are subject to a conduct and risk review before vesting. This applies to current and former employees.	The board may apply its absolute discretion to adjust past, present and future remuneration, subject to the equity incentive plan rules governing the plan and in compliance with the relevant policies. It does this in line with the remuneration adjustment framework to provide greater consistency in remuneration adjustments (refer to section 4.3 below).

The board exercises discretion to apply remuneration consequences to executives with overall accountability for matters arising in their business units with adverse risk, customer and/or reputational impacts. There is a standing agenda item at each Remuneration Committee for the CRO to present any risk related information the Committee should consider when making remuneration decisions. This also gives the Remuneration Committee an opportunity to make enquiries and have unfettered access to risk and internal audit executives. The Remuneration Committee considers both the achievement of the risk metrics as well as a risk overview when determining the incentive pool. Before every equity vesting event, management provides a report to the Committee to highlight if there is any reason, including risk considerations, why the Committee should exercise its discretion to lapse the unvested equity award.

AMP's consequence management framework was strengthened in 2021 and again in 2022 to align with best practice management of sexual harassment, other misconduct matters, and due to the implementation of CPS 511. AMP has a Consequence Management Committee (CMC), which was established to ensure consistent management of workplace conduct matters and application of AMP's Consequence Management policy. The CMC comprises the CEO, Chief People Officer and Chief Risk Officer as standing members. Statistics and insights on all conduct cases across AMP Limited are reported to the Risk and Compliance Committee on a biannual basis, following review by the CMC. Under the consequence management framework, all substantiated cases of misconduct require the application of a management and/or remuneration consequence. Where there is a recommendation from People & Culture (and as endorsed by the CMC) to apply malus or clawback of past remuneration as a part of the recommended remuneration consequence, submissions are made to the Remuneration Committee to exercise its discretion to lapse the unvested equity award.

During the year there were no conduct matters related to executives that needed to be taken into account in relation to 2022 performance. However, there were a number of conduct matters related to other employees that were substantiated and resulted in the application of formal consequences. At the time of this report, the annual remuneration review process is about to commence for employees (not including the Executive KMP), where conduct performance will be factored into any remuneration decisions.

While 2022 presented many challenges from a people perspective, including a competitive talent market and ongoing COVID related issues, total substantiated misconduct cases were lower in 2022 than the previous two years. This is a positive outcome and is largely driven by the work completed to uplift leadership training and enhanced communication of conduct expectations. Senior leadership continues to play an important role in setting the tone, driving cultural transformation and prioritising improvements to the level of support made available to employees as part of increased speak up channels.

4.3 REMUNERATION ADJUSTMENT GUIDELINES

The board has adopted a remuneration adjustment framework to provide guidance in exercising discretion related to past, present and future remuneration and to provide greater consistency in remuneration adjustments. The framework is considered at each remuneration decision point to identify whether there have been any material conduct or risk events that have impacted on shareholder experience, the reputation of the company or led to disciplinary action from our regulators.

This tool is intended to help the AMP Board in making potential downward adjustments to variable remuneration. It is not intended to be used as a prescriptive or formulaic decision tree, as board judgement will always need to be applied according to the facts and circumstances of a particular situation. Whilst the framework is designed to deal with material risk and conduct events, the board can also exercise its discretion to apply positive adjustments if appropriate.

The following chart is an example of the types of qualitative and quantitative indicators the board may consider in exercising discretion in relation to material conduct and risk events.

Considerations for adjusting remuneration

Is the remuneration outcome on an individual or cohort basis in line with the actual values and original intent?

Considerations

Qualitative indicators	Quantitative indicators
Customer and people Has there been a potential breakdown of trust with our employees, customers, fund beneficiaries or members of the community or operated in a way that is contrary to our stated values?	RepTrak, Customer NPS or Employee Satisfaction scores
Reputation Has there been unexpected widespread media coverage about our company or services that has impacted our reputation or brand?	Shareholder experience
Risk Has there been a material deterioration in the risk culture or profile of the company?	Unacceptable level of risk appetite
Finance Have we behaved in a way that was not fiscally responsible and there was an impact on our prudential standing or reputation?	Capital adequacy, credit rating

POTENTIAL ADJUSTING EVENT IDENTIFIED

Enact

Decision making

Remuneration Committee	Board decision

Adjust remuneration

Adjustment to be proportionate to the severity of the risk and conduct outcome

Reduction or cancellation of cash payments	Malus applied to existing equity awards on foot	Clawback of already paid/ released equity awards	Downward adjustment to in period remuneration	Pre grant adjustment to quantum of future LTI grant

5 SECTION EXECUTIVE SHAREHOLDINGS AND CONTRACTS

5.1 EXECUTIVE MINIMUM SHAREHOLDING REQUIREMENTS

The relevant amount of AMP equity required to be held by the Executive Committee (which includes the Executive KMP) under minimum shareholding policy and the time to comply is as follows:

Category	Fixed pay	Timeframe	Securities included to meet requirement
CEO	200%	Executive KMP are expected to achieve the minimum shareholding requirement within a five-year period from commencement in their role	**AMP Limited shares:** Ordinary AMP Limited shares registered in the Executive KMP's name or a related party **AMP share rights:** Granted to executives through AMP's employee share plans
Executive KMP	100%		

Share rights allocated to Executive KMP are included to meet their minimum holding requirement only where future vesting is not subject to any further performance condition (other than a continued service condition). AMP Limited shares and/or share rights cannot be hedged.

Executive KMP are not expected to purchase shares to meet the requirement. Rather, it is expected that they would not sell any shares held (other than to cover arising tax liabilities) and that they will retain vested shares and share rights until the minimum requirement is reached.

5.2 SECURITIES HELD BY EXECUTIVE KMP

We assess compliance with our minimum shareholding requirement each year. The table below summaries the position of each Executive KMP as at 31 December 2022 against the requirement at the reporting date.

Executive KMP	Fixed pay[1] $'000	Unit balance #	Value of holding[2] $'000	Target date to meet requirement
Alexis George	1,715	1,925,980	2,533	1 August 2026
James Georgeson	700	747,432	983	n/a[3]
Scott Hartley	900	328,268	432	10 January 2026
Sean O'Malley	600	460,776	606	14 November 2026
Nicola Rimmer-Hollyman	600	208,885	275	12 February 2027

1 Fixed pay includes cash salary plus superannuation and has been captured as an annualised amount in Australian dollars on 31 December 2022 to calculate the shareholding value.

2 The total value of each holding was calculated on 30 December 2022 using a closing price of $1.315.

3 James Georgeson will depart AMP during 2023.

5.3 EXECUTIVE EMPLOYMENT CONTRACTS

Contract term	CEO	Executive KMP
Length of contract	Open-ended	Open-ended
Notice period	Six months by AMP or by Alexis George	Six months by AMP or the executive
Entitlements on termination	– Accrued fixed pay, superannuation and other statutory requirements. – Executives eligible for incentives may be awarded on a pro rata basis for the current period in the case of death, disablement, redundancy, retirement or notice without cause, subject to the original performance periods and hurdle. – Unvested rights will lapse if an executive resigns or is summarily dismissed before the vesting date. Should an executive cease employment for any other reason, any unvested rights will be retained and vest in the ordinary course subject to the original terms and performance conditions, if applicable. – Vested rights will be retained but are subject to clawback, for example, in the case of serious misconduct. – In the case of redundancy, the AMP Redundancy, Redeployment and Retrenchment Policy in place at the time will be applied. This is the same policy that applies to all employees at AMP.	
Restrictions on termination benefits	AMP will not make payments on termination that require shareholder approval or breach the Corporations Act.	
Post-employment restraint	Six-month restraint on entering employment with a competitor and 12-month restraint on solicitation of AMP clients and employees.	

Fixed remuneration increases

The only fixed remuneration increase awarded is for the Group Executive AMP Bank, Sean O'Malley, whose remuneration will increase by 8.3%, effective 1 April 2023. This change reflects the fixed remuneration levels of similar roles in other ASX financial services entities and an acknowledgement of his contribution and performance since commencing in the role.

6 SECTION NON-EXECUTIVE DIRECTOR FEES AND SHAREHOLDING REQUIREMENTS

6.1 NON-EXECUTIVE DIRECTOR FEES

The Remuneration Committee is responsible for reviewing Non-Executive Director (NED) fees for AMP Limited and its main subsidiaries. In reviewing these fees, the Remuneration Committee has regard to a range of factors including the complexity of AMP's operations and those of its main subsidiaries, fees paid to board members of other Australian corporations of a similar size and complexity, and the responsibilities and workload requirements of each board and committee. The Remuneration Committee obtains market data and recommends any proposed fee changes to the AMP Limited Board for approval.

The total amount of NED fees paid is capped at a maximum aggregate fee pool approved by shareholders. The current fee pool is $4.620m, which was approved by shareholders at the 2015 Annual General Meeting (AGM). The total remuneration earned by AMP Limited NEDs during 2022 was $2.264m, which represents 49.0% of the annual fee pool compared with 56.2% earned in 2021. This represents an overall 12.8% cost reduction in aggregate NED fee spend year on year.

Between 1 January to 30 September 2022, all AMP non-executive directors continued to be members of each standing committee. This was to ensure that all non-executive directors were sufficiently well informed of the matters presented to the committees by management and advisers as AMP traversed significant and time-sensitive strategic and business transformation matters. A review of the board committee structure was conducted in mid-2022 and the board determined it was reasonable to reduce the number of members for each standing committee (other than the Nomination committee) as the transformation initiatives had stabilised. The changes were effected on 1 October 2022 and these changes resulted in a further reduction in the total fees paid to directors from that date, continuing the progressive reduction in director fees since 2019 by a total of 40.4%. The current members and role of each standing committee as at the date of this statement are set out in the Corporate governance statement.

As part of the committee structure review, AMP's board established two advisory groups for an initial six-month period to support and promote AMP's key strategic enablers. These advisory groups are tasked to conduct workshops and deep dives with management with their key focus on ESG & sustainability and technology transformation. The fee structure of the advisory groups is provided below.

The following table shows the annual NED fees for the Board and permanent committees of AMP Limited and its main subsidiaries for 2022.

	Chair base fee[1] 2022[3] $	Member base fee[2] 2022[3] $
AMP Limited		
Board	561,000	204,000
Audit Committee	46,750	21,590
Risk and Compliance Committee	46,750	21,590
Remuneration Committee	46,750	21,590
Nomination Committee	nil	nil
Demerger Due Diligence Committee[4]	475/hr	337.50/hr
ESG Advisory Group	46,750	21,590
Technology Transformation Advisory Group	46,750	21,590
AMP Bank		
Board	nil	nil
Audit Committee	nil	nil
Risk and Compliance Committee	nil	nil

1 The Chair of AMP Limited does not receive separate committee fees.

2 No additional fees are paid to NEDs for their membership or for chairing the AMP Bank Limited Board.

3 There was a restructure of the AMP Limited and Bank Board committee memberships on 1 October 2022 to incorporate the establishment of the ESG & Sustainability and Technology Transformation Advisory Groups.

4 The Demerger Due Diligence Committee was removed effective 26 May 2022.

6.2 NON-EXECUTIVE DIRECTOR MINIMUM SHAREHOLDING

The minimum shareholding requirement (MSR) for NEDs is set out in AMP's minimum shareholding policy. Under this policy, NEDs are required to accumulate and hold a minimum value of AMP shares to ensure their interests are closely aligned with the long term interests of AMP shareholders. For the purposes of determining whether the minimum shareholding has been met, the value of each share held by a NED will be the share price at the time the share was acquired. As at the date of this report, these minimum values are:

- **AMP Limited Chair:** $561,000 – the equivalent of the AMP Limited Chair base fee.
- **Other AMP Limited NEDs:** $204,000 – the equivalent of the AMP Limited NED base fee.

NEDs are ordinarily expected to achieve these levels within four years of their appointment, see Section 6.3. The policy expects NEDs to apply at least 25% of their base fee each year to acquire AMP shares until the MSR has been met. NEDs are also encouraged to increase their ownership over their tenure. Any such acquisition of AMP shares may only occur when permitted to do so in accordance with AMP's Trading Policy. Between 2019 and 2022, opportunities for NEDs to acquire shares during the trading windows in accordance with AMP's Trading Policy were limited due to the on-going transactions, including the sale of AMP Life, portfolio review and sales of AMP Capital businesses. In 2022, NEDs have been able to increase their share ownership and have either met the MSR as at 31 December 2022, or are within the four-year period to achieve the MSR.

6.3 SECURITIES HELD BY NON-EXECUTIVE DIRECTORS

The following table details the shareholdings and movements in those shareholdings in AMP Limited held directly, indirectly or beneficially by NEDs or their related parties during the year and as at 31 December 2022. For this purpose, a NED's related parties are their close family members (as defined in the applicable accounting standard) and any entities over which the NED (or a close family member) has control, joint control or significant influence (whether direct or indirect).

NED	Balance on 1 Jan 2022 #	Shares acquired during the year #	Shares disposed during the year #	Balance on 31 Dec 2022[1] #	Value on 31 Dec 2022 per the MSR[2] $	Progress against the MSR
Debra Hazelton[3]	274,562	125,723	–	400,285	519,934	14 June 2023
Andrew Best[4]	–	100,000	–	100,000	109,084	1 July 2026
Rahoul Chowdry	100,000	–	–	100,000	205,000	31 December 2023
Michael Hirst[5]	–	200,000	–	200,000	222,950	30 June 2025
Kathryn McKenzie[6]	120,000	78,000	–	198,000	184,201	17 November 2024
Michael Sammells[7]	70,000	50,000	–	120,000	148,780	29 February 2024
Andrea Slattery[8]	139,975	64,000	–	203,975	296,578	14 February 2023
John O'Sullivan[9]	88,194	–	–	88,194	n/a	n/a

1 As at 31 December 2022 and the date of this report, each of the current NEDs held a 'relevant interest' (as defined in the *Corporations Act 2001*) in the number of AMP shares disclosed above for that NED. For John O'Sullivan, the closing balance represents the date he ceased to be a KMP.

2 The total value of each holding was calculated as at 31 December 2022 using purchase price (per the Non-Executive Director Shareholding Policy).

3 Debra Hazelton purchased 89,687 AMP Limited shares on 31 May 2022 at a market price of $1.115 per share and 36,036 shares on 31 August 2022 at a market price of $1.110 per share.

4 Andrew Best purchased 50,000 AMP Limited shares in two tranches on 16 August 2022 at market prices of $1.075 and $1.0825 per share and 50,000 shares in two tranches on 17 August 2022 at a market price of $1.085 and $1.120 per share.

5 Michael Hirst purchased 80,000 AMP Limited shares on 1 June 2022 at a market price of $1.095, 20,000 AMP Limited Shares on 2 June 2022 at a market price of $1.105 per share and 100,000 AMP Limited shares on 17 August 2022 at a market prices of $1.1325 per share.

6 Kathryn McKenzie purchased 50,000 AMP Limited shares on 30 May 2022 in two tranches at market prices of $1.1025 and $1.1050 per share and 28,000 AMP Limited shares on 18 August 2022 at a market price of $1.125 per share.

7 Michael Sammells purchased 50,000 AMP Limited shares on 24 May 2022 at a market price of $1.105 per share.

8 Andrea Slattery purchased 46,000 AMP Limited shares on 10 June 2022 at a market price of $1.065 per share and 18,000 AMP Limited shares on 6 September 2022 at a market price of $1.110 per share.

9 John O'Sullivan retired from the AMP Board on 8 April 2022.

Remuneration report

7 SECTION STATUTORY TABLES

The following disclosures provide additional information and/or are required under the Corporations Act. This includes the 2022 Executive KMP remuneration that is prepared according to Australian Accounting Standards.

7.1 STATUTORY REMUNERATION DISCLOSURE

Statutory remuneration represents the accounting expense of remuneration in the financial year. It includes fixed remuneration, cash STI, the fair value amortisation expense of equity awards granted, long service leave entitlements and insurance, reflective of the relevant KMP period.

		Short-term employee benefits			Post-employment benefits	Share-based payments [4]	Long-term benefits		
	Year	Cash salary [1] $'000	Cash STI [2] $'000	Other short-term benefits [3] $'000	Super-annuation benefits $'000	Rights and options $'000	Other [5] $'000	Termination payments [6] $'000	Total [7] $'000
Executive KMP									
Alexis George	**2022**	**1,678**	**912**	**25**	**27**	**1,360**	**5**	**–**	**4,007**
	2021	711	172	799	13	1,277	2	–	2,974
David Cullen [8]	**2022**	**230**	**127**	**18**	**8**	**286**	**(1)**	**–**	**668**
	2021	717	180	410	25	1,156	19	–	2,507
James Georgeson	**2022**	**724**	**396**	**14**	**26**	**1,756**	**12**	**–**	**2,928**
	2021	725	186	403	25	1,040	134	–	2,513
Scott Hartley	**2022**	**871**	**432**	**5**	**28**	**583**	**3**	**–**	**1,922**
	2021	836	206	115	54	271	2	–	1,484
Shawn Johnson [8,9]	**2022**	**270**	**212**	**45**	**45**	**94**	**–**	**–**	**666**
	2021	472	274	69	16	286	–	–	1,117
Rebecca Nash [8]	**2022**	**217**	**118**	**(7)**	**8**	**108**	**2**	**–**	**446**
	2021	87	15	14	3	39	–	–	158
Sean O'Malley	**2022**	**565**	**294**	**36**	**26**	**467**	**27**	**–**	**1,415**
	2021	73	14	31	3	54	2	–	115
Nicola Rimmer-Hollyman [8]	**2022**	**455**	**202**	**22**	**52**	**203**	**13**	**–**	**947**
	2021	–	–	–	–	–	–	–	–
Former Executive KMP									
Phil Pakes [10]	**2022**	**93**	**–**	**5**	**4**	**(1,280)**	**(6)**	**291**	**(893)**
	2021	663	–	426	25	784	4	–	1,902
Total	**2022**	**5,103**	**2,693**	**163**	**224**	**3,577**	**55**	**291**	**12,106**
	2021	4,284	1,047	2,205	164	4,907	163	–	12,770

1 Cash salary is inclusive of base salary and short-term compensated absences, less superannuation deductions.

2 Cash STI for 2022 reflects 60% of STI award outcome for the performance year for Executive KMP. As outlined in Section 3.2, the Board have withheld a portion of the cash STI which will only be paid upon the commencement of the second tranche of the capital return. For a breakdown of these amounts, refer to the table 3.5.

3 Other short-term benefits include non-monetary benefits and any related FBT exempt benefits and FBT payable benefits, for example car parking and leasing arrangements, insurances, professional memberships and subscriptions, employee referral bonuses, vouchers and the net change in annual leave accrued.

4 The values in the table reflect the current year expense for all share rights and performance rights outstanding at any point during the year. It is based on the fair value of each award which takes into consideration a number of factors, including the likelihood of achieving market-based vesting conditions such as total shareholder return. The cost of the award is amortised over the vesting period and updated at each reporting period for changes in the number of instruments that are expected to vest. For James Georgeson, as a result of his employment ending with AMP, the share-based payment expense reflects the acceleration of amounts that were expected to be amortised in future periods. For Phil Pakes, the negative value is due to the reversal of previously recognised expenses for awards that have lapsed.

5 Other long-term benefits represent the net change in long service leave accrued.

6 The termination payment for Phil Pakes includes five months' notice.

7 The total in this table for 2021 of $12.770 million is different to the total for 2021 in the 2021 Remuneration Report as it does not include $7.605 million for Francesco De Ferrari (former Chief Executive Officer, AMP) and $4.979 million for Helen Livesey (former Group Executive, People and Corporate Affairs), reported in the 2021 Remuneration Report.

8 For David Cullen, Rebecca Nash, Shawn Johnson and Nicola Rimmer-Hollyman, the amounts disclosed in this table have been prorated to reflect their KMP period.

9 Shawn Johnson has points in AMP Capital carried interest arrangements. This is a form of performance fee funded by investors and standard market practice for closed end funds. No carried interest was realised and paid in 2022.

10 After the release of the 2021 Remuneration Report, Phil Pakes resigned from AMP and forfeited his 2021 STI.

7.2 LOANS AND OTHER TRANSACTIONS

AMP provides home loans to Australians to help them buy, build or renovate properties. The table below includes loans offered to executives in the ordinary course of business. These loans are on equivalent terms to those offered to other employees and shareholders.

The following table shows loan balances that exceed $100,000 held by current and former Executive KMP during the reporting year. No Executive KMP held a loan balance of less than $100,000.

KMP	Balance on 1 Jan 2022 $'000	Written off $'000	Net advances (repayments) $'000	Balance on 31 Dec 2022 $'000	Interest charged $'000	Interest not charged $'000	Highest indebtedness during year $'000
Executive KMP							
Alexis George	–	–	680	680	10	–	687
James Georgeson	916	–	(5)	911	29	–	916
Scott Hartley	1,067	–	(43)	1,024	23	–	1,067
Sean O'Malley	1,622	–	(72)	1,550	52	–	1,622
Total (incl. related parties)[1]	**3,605**	**–**	**560**	**4,165**	**114**	**–**	**4,292**

1 Four Executive KMP hold loans.

Other transactions

Executive KMP and their related parties may have access to AMP products and these products are provided to executives within normal employee terms and conditions. The products may include:

- personal banking with AMP Bank.
- the purchase of AMP insurance and investment products.
- financial investment services.

Remuneration report

7.3 EXECUTIVE SHARES AND SHARE RIGHTS HOLDING

The following table shows the number of shares and share rights held by Executive KMP or their related parties during 2022. A related party is typically a family member of the executive and/or is an entity in which the executive has direct or indirect control. The definition of units includes AMP Limited shares and share rights which are not subject to performance conditions.

Name	Type	Balance at 1 Jan 2022	Granted [1]	Exercised/ released [2]	Forfeited/ lapsed	Other transactions [3]	Balance on 31 Dec 2022 [4]
Executive KMP							
Alexis George	Shares	1,148,669	–	328,260	–	–	1,476,929
	Share rights	508,563	268,748	(328,260)	–	–	449,051
David Cullen [5]	Shares	336,383	–	52,000	–	–	388,383
	Share rights	226,054	281,250	(52,000)	–	–	455,304
James Georgeson	Shares	226,754	–	56,000	–	–	282,754
	Share rights	230,054	290,624	(56,000)	–	–	464,678
Scott Hartley	Shares	5,180	–	–	–	1,214	6,394
	Share rights	–	321,874	–	–	–	321,874
Shawn Johnson [5]	Shares	–	–	–	–	–	–
	Share rights	–	428,706	–	–	–	428,706
Rebecca Nash [5]	Shares	–	–	–	–	–	–
	Share rights	115,740	178,750	–	–	–	294,490
Sean O'Malley	Shares	89,524	–	37,280	–	1,215	128,019
	Share rights	195,664	174,374	(37,280)	–	–	332,758
Nicola Rimmer-Hollyman [5]	Shares	10,035	–	–	–	1,215	11,250
	Share rights	92,828	106,022	–	–	–	198,850
Former Executive KMP							
Phil Pakes [5]	Shares	10,035	–	–	–	–	10,035
	Share rights	173,650	–	–	–	–	173,650

1 Relates to share rights awarded as part of the 2021 STI deferral on 11 April 2022, with a fair values of $0.95 for Tranche 1, $0.92 for Tranche 2 and (applicable to only the CEO) $0.88 for Tranche 3. For Nicola Rimmer-Hollyman, the amount granted relates to 2022 Share Rights that were awarded as part of her Director role prior to becoming an Executive Committee member, with a fair value of $0.95.

2 A portion of share rights granted to Alexis George as part of her sign-on award on 2 August 2021 vested and was exercised to AMP Limited shares on 22 November 2022 at a market price of $1.28 per share. For David Cullen, James Georgeson and Sean O'Malley, Share Rights exercised relates to the 2019 STI deferral that vested on 17/02/2022 at a market price of $1.01.

3 Other market transactions are shares awarded as part of the executive's participation in the AMP Share Purchase Plan (SPP) with shares allocated on 24 February 2022 at a market value of $0.94 and 29 March 2022 at a market value of $0.95.

4 There are no share rights held by any KMP's related parties and no share rights held indirectly or beneficially by our KMP. As at 31 December 2022, there were no share rights vested, or vested and exercisable or vested and unexercisable. No amount is payable by the Executive KMP on grant, vesting or exercise of their share rights. Any share rights that vest following the end of the vesting period will be automatically exercised.

5 The opening balance shown for Nicola Rimmer-Hollyman and the closing balances shown for David Cullen, Shawn Johnson, Rebecca Nash and Phil Pakes are reflective of their holdings on the respective dates they became or ceased KMP, respectively.

7.4 EXECUTIVE PERFORMANCE RIGHTS HOLDINGS

The following table shows the performance rights which were granted, exercised or lapsed during 2022.

	Grant date	Performance measure	Fair value per right	Holding at 1 Jan 2022	Granted	Vested	Lapsed/ cancelled	Held on 31 Dec 2022 [1]	Rights exercised to AMP Limited shares
Executive KMP									
Alexis George [2]	9-Aug-21	ATSR	0.62	511,702	–	–	–	511,702	–
	9-Aug-21	RTSR	0.61	1,535,158	–	–	–	1,535,158	–
	30-May-22	RTSR	0.59	–	1,818,278	–	–	1,818,278	–
Total				**2,046,860**	**1,818,278**	**–**	**–**	**3,865,138**	**–**
David Cullen [3]	12-Sep-19	CAGR of TSR	1.21	1,933,701	–	–	–	1,933,701	–
	1-Jan-21	TSR	0.81	454,821	–	–	–	454,821	–
Total				**2,388,522**	**–**	**–**	**–**	**2,388,522**	**–**
James Georgeson	12-Sep-19	CAGR of TSR	1.21	1,657,458	–	–	–	1,657,458	–
	1-Jan-21	TSR	0.81	454,821	–	–	–	454,821	–
	30-May-22	RTSR	0.59	–	795,165	–	–	795,165	–
Total				**2,112,279**	**795,165**	**–**	**–**	**2,907,444**	**–**
Scott Hartley	1-Jan-21	TSR	0.81	545,785	–	–	–	545785	–
	30-May-22	RTSR	0.59		954,198	–	–	954,198	–
Total				**545,785**	**954,198**	**–**	**–**	**1,499,983**	**–**
Shawn Johnson [4]	–	–	–	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Rebecca Nash [3]	12-Sep-19	CAGR of TSR	1.21	690,607	–		–	690,607	–
Total				**690,607**	**–**		**–**	**690,607**	**–**
Sean O'Malley	12-Sep-19	CAGR of TSR	1.21	552,486	–	–	–	552,486	–
	30-May-22	RTSR	0.59	–	636,132	–	–	636,132	–
Total				**552,486**	**636,132**	**–**	**–**	**1,188,618**	**–**
Nicola Rimmer-Hollyman [3]	12-Sep-19	CAGR of TSR	1.21	276,243	–	–	–	276,243	–
	30-May-22	RTSR	0.59	–	318,066	–	–	318,066	–
Total				**276,243**	**318,066**	**–**	**–**	**594,309**	**–**
Former Executive KMP									
Phil Pakes [3]	12-Sep-19	CAGR of TSR	1.21	1,381,215	–	–	(1,381,215)	–	–
	1-Jan-21	TSR	0.81	424,499	–	–	(424,499)	–	–
Total				**1,805,714**	**–**	**–**	**(1,805,714)**	**–**	**–**

1 There are no options or performance rights held by any KMP's related parties and no options or performance rights held indirectly or beneficially by our KMP. As at 31 December 2022, there were no performance rights vested, or vested and exercisable or vested and unexercisable. No amount is payable by the Executive KMP on grant, vesting or exercise of their performance rights. Any performance rights that vest following the testing of the performance condition will be automatically exercised and any performance rights that do not vest following the performance testing will lapse (and expire) at that time.

2 Performance rights were granted to the CEO Alexis George as part of her sign-on award on 2 August 2021. During 2022, no performance rights were performance tested under her sign-on award.

3 The balance shown for Nicola Rimmer-Hollyman in the Holding at 1 January 2022 column reflects her respective holdings on the date she was appointed to KMP. The balances shown for David Cullen, Rebecca Nash, Shawn Johnson and Phil Pakes in the Holding at 31 December 2022 column reflects the dates they ceased to be KMPs. Refer to Section 1.1 for further information.

4 Shawn Johnson did not receive any performance rights. He was awarded points in AMP Capital carried interest arrangements. This is a form of performance fee funded by investors and standard market practice for closed end funds. No carried interest was realised and paid in 2022.

Remuneration report

7.5 NON-EXECUTIVE DIRECTOR REMUNERATION

The following table shows the remuneration earned by AMP Limited NEDs for 2022.

		Short-term benefits			Post-employment benefits	
NED	Year	AMP Limited Board and committee fees $'000	Fees for other group boards [1] $'000	Additional board duties [2] $'000	Superannuation [3] $'000	Total $'000
Debra Hazelton	**2022**	**536**	**–**	**–**	**25**	**561**
	2021	596	–	–	23	619
Andrew Best	**2022**	**111**	**–**	**5**	**12**	**128**
	2021	–	–	–	–	–
Rahoul Chowdry	**2022**	**264**	**–**	**–**	**24**	**288**
	2021	302	–	14	22	338
Mike Hirst	**2022**	**257**	**–**	**5**	**13**	**275**
	2021	136	–	–	2	138
Kathryn McKenzie	**2022**	**228**	**–**	**12**	**24**	**264**
	2021	274	–	–	22	296
Michael Sammells	**2022**	**265**	**64**	**13**	**23**	**365**
	2021	298	124	21	26	469
Andrea Slattery	**2022**	**255**	**–**	**19**	**27**	**301**
	2021	300	13	6	24	343
Former NED						
John O'Sullivan [4]	**2022**	**67**	**–**	**9**	**6**	**82**
	2021	274	–	98	22	394
Total	**2022**	**1,983**	**64**	**63**	**154**	**2,264**
	2021	2,180	137	139	141	2,597

1 As disclosed in the 2021 Remuneration Report, the Chair Base fee for the Collimate Capital Limited Board (formerly known as AMP Capital Holdings) is $124,000 per annum. The amount disclosed includes fees paid to Michael Sammells in his capacity as Chair until his resignation on 7 July 2022.

2 Additional work for special committees and projects including per diem fees on actual time spent for the Demerger Due Diligence Committee.

3 Superannuation contributions have been disclosed separately in this table but are included in the base NED fees disclosed elsewhere in this report.

4 John O'Sullivan retired from the AMP Board on 8 April 2022 and the fees disclosed are reflective of his KMP period during 2022.

Directors' report

for the year ended 31 December 2022

ROUNDING

In accordance with the Australian Securities and Investments Commission Corporations Instrument 2016/191, amounts in this directors' report and the accompanying financial report have been rounded off to the nearest million Australian dollars, unless stated otherwise.

NON-AUDIT SERVICES

The Audit Committee has reviewed details of the amounts paid or payable to the auditor for non-audit services provided to the AMP group during the year ended 31 December 2022, by the company's auditor, EY.

The directors are satisfied that the provision of those non-audit services by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit assignments were approved by the Chief Financial Officer (CFO), or his nominated delegate, or the Chair of the Audit Committee;
- no non-audit assignments were carried out which were specifically excluded by the AMP Charter of Audit Independence; and
- the proportion of non-audit fees to audit fees paid to EY, as disclosed in note 6.5 to the financial report is not considered significant enough to compromise EY's independence or cause a perception of compromise.

Signed in accordance with a resolution of the directors.

Debra Hazelton
Chair

Alexis George
Chief Executive Officer and Managing Director

Sydney, 16 February 2023

Auditor’s independence declaration

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com.au

Auditor’s independence declaration to the directors of AMP Limited

As lead auditor for the audit of the financial report of AMP Limited for the financial year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AMP Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Andrew Price
Partner

16 February 2023

Financial report

for the year ended 31 December 2022

TABLE OF CONTENTS

Consolidated income statement

for the year ended 31 December 2022

	Note	2022 $m	2021[1] $m
Fee revenue	1.1(c)	**1,432**	1,610
Interest income using the effective interest method		**803**	607
Other investment gains		**–**	39
Share of profit from associates	5.3	**80**	66
Movement in guarantee liabilities		**21**	66
Other income		**33**	81
Total revenue		**2,369**	2,469
Fee and commission expenses		**(692)**	(690)
Staff and related expenses		**(612)**	(697)
Finance costs		**(591)**	(337)
Other operating expenses	1.2	**(537)**	(1,092)
Other investment losses		**(1)**	–
Total expenses		**(2,433)**	(2,816)
Loss before tax		**(64)**	(347)
Income tax credit	1.4(a)	**60**	66
Loss after tax from continuing operations		**(4)**	(281)
Profit from discontinued operations	5.2	**391**	27
Profit/(Loss) for the year		**387**	(254)
Profit/(Loss) attributable to:			
Shareholders of AMP Limited[2]		**387**	(252)
Non-controlling interests		**–**	(2)
Profit/(Loss) for the year		**387**	(254)

Earnings/(Loss) per share		cents	cents
Basic	1.3	**12.0**	(7.6)
Diluted	1.3	**11.9**	(7.6)
Loss per share from continuing operations			
Basic	1.3	(0.1)	(8.4)
Diluted	1.3	(0.1)	(8.4)

1 Results for the year ended 31 December 2021 have been restated to be on a continuing operations basis. Refer to note 5.2.
2 Profit/(Loss) attributable to shareholders of AMP Limited is comprised of $4m loss from continuing operations (FY21: $279m loss) and $391m profit from discontinued operations (FY21: $27m profit).

Consolidated statement of comprehensive income

for the year ended 31 December 2022

	Note	2022 $m	2021[1] $m
Loss for the year from continuing operations		**(4)**	(281)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value reserve			
– net loss on fair value asset reserve		**(229)**	(70)
– tax effect on fair value asset reserve loss		**69**	21
– net amount transferred to profit or loss for the year		**(1)**	(4)
– tax effect on amount transferred to profit or loss for the year		**–**	1
		(161)	(52)
Cash flow hedges			
– net gain on cash flow hedges		**338**	81
– tax effect on cash flow hedge gain		**(101)**	(24)
– net amount transferred to profit or loss for the year		**(14)**	36
– tax effect on amount transferred to profit or loss for the year		**4**	(11)
		227	82
Translation of foreign operations and revaluation of hedge of net investments		**23**	9
		23	9
Items that will not be reclassified subsequently to profit or loss			
Fair value reserve		**1**	(1)
		1	(1)
Defined benefit plans			
– actuarial (losses)/gains	4.1(a)	**(1)**	101
– tax effect on actuarial (losses)/gains		**–**	(30)
		(1)	71
Other comprehensive income for the year from continuing operations		**89**	109
Total comprehensive income/(loss) for the year from continuing operations		**85**	(172)
Profit for the year from discontinued operations		**391**	27
Other comprehensive (loss)/income for the year from discontinued operations		**(12)**	27
Total comprehensive income/(loss) for the year		**464**	(118)
Total comprehensive income/(loss) attributable to shareholders of AMP Limited		**464**	(116)
Total comprehensive income/(loss) attributable to non-controlling interests		**–**	(2)
Total comprehensive income/(loss) for the year		**464**	(118)

1 Results for the year ended 31 December 2021 have been restated to be on a continuing operations basis. Refer to note 5.2.

Consolidated statement of financial position

as at 31 December 2022

	Note	2022 $m	2021 $m
Assets			
Cash and cash equivalents		**1,816**	2,916
Receivables	2.5	**428**	572
Investments in other financial assets	2.2	**5,794**	3,684
Current tax assets		**76**	221
Assets held for sale[1]		**746**	575
Loans and advances	2.1(a)	**24,080**	22,047
Investments in associates	5.3	**771**	1,090
Right of use assets	6.3	**396**	96
Deferred tax assets	1.4(c)	**556**	520
Intangibles	2.3	**198**	330
Other assets	2.4	**65**	150
Defined benefit plan asset	4.1(a)	**12**	3
Total assets		**34,938**	32,204
Liabilities			
Payables	2.6	**234**	349
Current tax liabilities		**57**	67
Employee benefits		**178**	412
Other financial liabilities	2.2	**261**	293
Liabilities held for sale[1]		**140**	174
Provisions	6.4	**297**	588
Interest-bearing liabilities	3.2	**28,962**	26,117
Lease liabilities	6.3	**569**	135
Deferred tax liabilities	1.4(c)	**5**	1
Guarantee liabilities		**64**	85
Total liabilities		**30,767**	28,221
Net assets		**4,171**	3,983
Equity			
Contributed equity	3.1	**5,002**	10,200
Reserves		**297**	(2,327)
Retained earnings		**(1,128)**	(3,893)
Total equity of shareholders of AMP Limited		**4,171**	3,980
Non-controlling interests		**–**	3
Total equity of shareholders of AMP Limited and non-controlling interests		**4,171**	3,983

1 Assets and liabilities held for sale as at 31 December 2022 include AMP Capital's real estate and infrastructure equity businesses (31 December 2021: assets and liabilities held for sale include AMP Capital's Global Equities and Fixed Income (GEFI) and Infrastructure Debt platform, as well as AMP's interest in Resolution Life NOHC).

Consolidated statement of changes in equity

for the year ended 31 December 2022

	Equity attributable to shareholders of AMP Limited											
	Contributed equity $m	Demerger reserve $m	Share-based payment reserve $m	Capital profits reserve[1] $m	Fair value reserve $m	Cash flow hedge reserve $m	Foreign currency translation and hedge of net investments reserves $m	Total reserves $m	Retained earnings $m	Total shareholder equity $m	Non-controlling interest $m	Total equity $m
2022												
Balance at the beginning of the year	10,200	(2,566)	132	(27)	32	38	64	(2,327)	(3,893)	3,980	3	3,983
Loss from continuing operations	–	–	–	–	–	–	–	–	(4)	(4)	–	(4)
Profit from discontinued operations	–	–	–	–	–	–	–	–	391	391	–	391
Other comprehensive income/(loss) from continuing operations	–	–	–	–	(160)	227	23	90	(1)	89	–	89
Other comprehensive loss from discontinued operations	–	–	–	–	–	–	(12)	(12)	–	(12)	–	(12)
Total comprehensive income/(loss)	–	–	–	–	(160)	227	11	78	386	464	–	464
Share-based payment expense	–	–	11	–	–	–	–	11	–	11	–	11
Share purchases	(267)	–	(10)	–	–	–	–	(10)	–	(277)	–	(277)
Capital reduction[2]	(4,931)	–	–	–	–	–	–	–	4,931	–	–	–
Transfers to retained earnings[3]	–	2,566	(17)	–	1	–	–	2,550	(2,550)	–	–	–
Sales and acquisitions of non-controlling interests	–	–	–	(5)	–	–	–	(5)	–	(5)	(3)	(8)
AMP Foundation charitable distribution	–	–	–	–	–	–	–	–	(2)	(2)	–	(2)
Balance at the end of the year	5,002	–	116	(32)	(127)	265	75	297	(1,128)	4,171	–	4,171

1 The Capital profits reserve represents gains and losses attributable to shareholders of AMP on the sale or acquisition of minority interests in controlled entities to or from entities outside the AMP group.

2 In December of 2022, in accordance with section 258F of the *Corporations Act 2001*, the Board of Directors resolved to reduce AMP's share capital by $4,931m, representing historic permanent losses recognised by the AMP group in prior reporting periods. Those losses arose from businesses in which AMP no longer operates, including UK demerger losses and losses relating to AMP's wealth protection and mature businesses which were sold to Resolution Life in 2020. The adjustment to share capital has the effect of reducing AMP's contributed equity and retained losses as disclosed on the Consolidated statement of changes in equity. The adjustment has no impact on the net assets, financial results, cash flows, and regulatory capital of the consolidated group or the company's number of shares issued.

3 Transfers to retained earnings primarily represents the reclassification of the Demerger reserve.

Consolidated statement of changes in equity

for the year ended 31 December 2022

	Equity attributable to shareholders of AMP Limited											
	Contributed equity $m	Demerger reserve[1] $m	Share-based payment reserve $m	Capital profits reserve[2] $m	Fair value reserve $m	Cash flow hedge reserve $m	Foreign currency translation and hedge of net investments reserves $m	Total reserves $m	Retained earnings $m	Total shareholder equity $m	Non-controlling interest $m	Total equity $m
2021												
Balance at the beginning of the year	10,396	(2,566)	118	(39)	99	(44)	28	(2,404)	(3,726)	4,266	8	4,274
Loss from continuing operations	–	–	–	–	–	–	–	–	(279)	(279)	(2)	(281)
Profit from discontinued operations	–	–	–	–	–	–	–	–	27	27	–	27
Other comprehensive income/(loss) from continuing operations	–	–	–	–	(53)	82	9	38	71	109	–	109
Other comprehensive income from discontinued operations	–	–	–	–	–	–	27	27	–	27	–	27
Total comprehensive income/(loss)	–	–	–	–	(53)	82	36	65	(181)	(116)	(2)	(118)
Share-based payment expense	–	–	17	–	–	–	–	17	–	17	–	17
Share purchases	(196)	–	(3)	–	–	–	–	(3)	–	(199)	–	(199)
Sales and acquisitions of non-controlling interests	–	–	–	12	–	–	–	12	–	12	(3)	9
Transfer of realised gains[3]	–	–	–	–	(14)	–	–	(14)	14	–	–	–
Balance at the end of the year	10,200	(2,566)	132	(27)	32	38	64	(2,327)	(3,893)	3,980	3	3,983

1 Reserve to recognise the additional loss and subsequent transfer from shareholders' retained earnings on the demerger of AMP's UK operations in December 2003. The loss was the difference between the pro-forma loss on demerger and the market-based fair value of the UK operations.

2 The Capital profits reserve represents gains and losses attributable to shareholders of AMP on the sale or acquisition of minority interests in controlled entities to or from entities outside the AMP group.

3 Represents realised gains and losses on equity securities measured at fair value through other comprehensive income.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Cash receipts in the course of operations		**1,975**	2,564
Interest received		**834**	690
Dividends and distributions received		**78**	130
Cash payments in the course of operations		**(2,875)**	(3,175)
Net movement in deposits from customers		**2,947**	1,662
Finance costs		**(465)**	(309)
Income tax received		**72**	116
Net cash provided by operating activities	6.1	**2,566**	1,678
Cash flows from investing activities			
Net proceeds from sale of/(payments to acquire):			
– investments in financial assets[1]		**(3,387)**	(503)
– operating and intangible assets		**(30)**	(49)
– Resolution Life NOHC, AMP Capital's Global Equities and Fixed Income (GEFI) business and Infrastructure Debt platform		**980**	–
– other operating controlled entities and investments in associates accounted for using the equity method		**(59)**	(13)
Payments for loan book acquisition		**(434)**	–
Net cash used in investing activities		**(2,930)**	(565)
Cash flows from financing activities			
Proceeds from borrowings – non-banking operations		**146**	–
Repayment of borrowings – non-banking operations		**(275)**	(398)
Net movement in borrowings – banking operations		**43**	188
Proceeds from issuance of subordinated debt – banking operations		**200**	–
Payments for buyback of shares		**(267)**	(196)
Repayment of subordinated debt		**(308)**	(267)
Lease payments		**(48)**	(49)
Net cash used in financing activities		**(509)**	(722)
Net (decrease)/increase in cash and cash equivalents		**(873)**	391
Cash and cash equivalents at the beginning of the year		**3,044**	2,653
Cash and cash equivalents prior to deconsolidation and transfers		**2,171**	3,044
Cash and cash equivalents deconsolidated		**(7)**	–
Cash and cash equivalents at the end of the year	6.1	**2,164**	3,044

1 Net proceeds from sale of (payments to acquire) investments in financial assets also includes loans and advances made (net of payments) and purchases of financial assets (net of maturities) during the period by AMP Bank.

Notes to the financial statements

for the year ended 31 December 2022

ABOUT THIS REPORT

This section outlines the structure of the AMP group, information useful to understand the AMP group's financial report and the basis on which the financial report has been prepared.

(a) Understanding the AMP financial report

The AMP group (AMP) is comprised of AMP Limited (the parent), a holding company incorporated and domiciled in Australia, and the entities it controls (subsidiaries or controlled entities). The consolidated financial statements of AMP Limited include the financial information of its controlled entities.

The consolidated financial report:

- is a general purpose financial report;
- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board;
- is presented in Australian dollars with all values rounded to the nearest million dollars ($m), unless otherwise stated;
- has been prepared on a going concern basis generally using a historical cost basis; however where permitted under accounting standards a different basis may be used, including the fair value basis;
- presents assets and liabilities on the face of the Consolidated statement of financial position in decreasing order of liquidity and therefore does not distinguish between current and non-current items;
- presents reclassified comparative information where required for consistency with the current year's presentation within the financial report, including restated comparative information to reflect the impact of discontinued operations as detailed in note 5.2.

AMP Limited is a for-profit entity and is limited by shares. The financial statements for the year ended 31 December 2022 were authorised for issue on 16 February 2023 in accordance with a resolution of the directors.

Sale of AMP Capital

On 23 April 2021, AMP announced its intention to exit AMP Capital's private markets investment management business via demerger. Subsequent to that announcement, and as part of AMP's divestment strategy, AMP announced a series of sales transactions, which includes AMP Capital's private markets investment management business and other AMP Capital businesses (collectively AMP Capital businesses). The residual investments of AMP Capital (China Life AMP Management Company Ltd (CLAMP), Pacific Coast Capital Partners (PCCP) and certain seed and sponsor investments) will remain a part of the AMP group. These transactions and their impact on AMP's financial statements for the year ended 31 December 2022 are as follows:

- On 11 February 2022, AMP completed the sale of its infrastructure debt platform to Ares Holdings LP. The results relating to the infrastructure debt platform have been classified as discontinued operations in the Consolidated income statement and the impact of the sale is included within the Gain on disposal of businesses sold in note 5.2.
- On 28 March 2022, AMP completed the sale of its Global Equities and Fixed Income (GEFI) business to Macquarie Asset Management (MAM). The sale included the opportunity for deferred consideration of $75m. In December 2022, AMP and MAM agreed to a final deferred consideration amount of $23m. The results relating to the GEFI business have been classified as discontinued operations in the Consolidated income statement and the impact of the sale is included in the Gain on disposal of businesses sold in note 5.2.
- On 27 April 2022, AMP announced it had entered into an agreement for the sale of AMP Capital's real estate and domestic infrastructure equity business to Dexus Funds Management Ltd (Dexus). On 9 January 2023, AMP announced an update on the sale, which included an agreement to extend the date for satisfaction or waiver of conditions precedent to 28 February 2023. In accordance with the 8 January announcement, upfront cash consideration is expected to be $225m. In addition, Dexus will acquire AMP's existing and committed sponsor stakes in the platform for cash consideration expected to be approximately $94m (final consideration based on valuation at completion). The transaction is subject to regulatory approvals. The results of this business have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2) and its assets and liabilities have been separately classified as held for sale in the Consolidated statement of financial position. The gain or loss on disposal will be included in the results for the year ended 31 December 2023.
- On 3 February 2023, AMP announced the completion of the sale of AMP Capital's international infrastructure equity business to DigitalBridge Investment Holdco, LLC which had previously been announced on 28 April 2022. Total value realised is $582m, comprising of $521m cash payment, $57m of value from retained estimated future carry and performance fees and $4m of gains on foreign exchange hedges of the estimated consideration, between signing and completion. In addition, AMP remains eligible for a further cash earn-out of up to $180m which is contingent on future fund raisings. The results of this business have been classified as discontinued operations in the Consolidated income statement (refer to note 5.2) and its assets and liabilities have been separately classified as held for sale in the Consolidated statement of financial position. The gain or loss on disposal will be included in the results for the year ended 31 December 2023.

(b) Basis of consolidation

Entities are fully consolidated from the date of acquisition, being the date on which the AMP group obtains control, and continue to be consolidated until the date that control ceases. Control exists where the AMP group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Income, expenses, assets, liabilities and cash flows of controlled entities are consolidated into the AMP group financial statements, along with those attributable to the shareholders of the parent entity. All inter-company transactions are eliminated in full, including unrealised profits arising from intra-group transactions.

The share of the net assets of controlled entities attributable to non-controlling interests is disclosed as a separate line item on the Consolidated statement of financial position.

Materiality

Information has only been included in the financial report to the extent that it has been considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the AMP group;
- it helps explain the impact of significant changes in the AMP group; and/or
- it relates to an aspect of the AMP group's operations that is important to its future performance.

(c) Significant accounting policies

The significant accounting policies adopted in the preparation of the financial report are contained in the notes to the financial statements to which they relate. All accounting policies have been consistently applied to the current year and comparative period, unless otherwise stated. Where an accounting policy relates to more than one note or where no note is provided, the accounting policies are set out below.

Interest, dividend and distribution income

Interest income measured at amortised cost is recognised in the Consolidated income statement using the effective interest method. Revenue from dividends and distributions is recognised when the AMP group's right to receive payment is established.

Foreign currency transactions

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars (the functional currency) using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation of foreign exchange transactions are recognised in the Consolidated income statement, except for qualifying cash flow hedges, which are deferred to equity.

On consolidation the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date
Reserves	Reporting date

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to the Consolidated income statement on disposal of the foreign operation.

Notes to the financial statements

for the year ended 31 December 2022

(d) Critical judgements and estimates

Preparation of the financial statements requires management to make judgements, estimates and assumptions about future events. Information on critical judgements and estimates considered when applying the accounting policies can be found in the following notes:

Accounting estimates and judgements	Note		Page
Taxes	1.4	Taxes	92
Impairment of financial assets	2.1	Expected credit losses (ECLs)	96
Fair value of financial assets and liabilities	2.2	Investments in other financial assets and liabilities	97
Goodwill and acquired intangible assets	2.3	Intangibles	100
Defined benefit plan	4.1	Defined benefit plan asset	126
Discontinued operations	5.2	Discontinued operations	134
Right of use assets and lease liabilities	6.3	Right of use asset and lease liabilities	141
Provisions and contingent liabilities	6.4	Provisions and contingent liabilities	144

1
SECTION

RESULTS FOR THE YEAR

This section provides insights into how the AMP group has performed in the current year and provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the AMP group.

Statutory measures of performance disclosed in this report are:

– Statutory earnings per share (EPS) – basic and diluted, and
– Profit/(loss) after tax attributable to the shareholders of AMP.

NPAT (underlying) is AMP's key measure of business performance. This performance measure is disclosed for each AMP operating segment within Segment performance.

1.1 SEGMENT PERFORMANCE

The AMP group identifies its operating segments based on separate financial information that is regularly reviewed by the Chief Executive Officer and the executive team in assessing performance and determining the allocation of resources. The operating segments are identified according to the nature of profit generated and services provided, and their performance is evaluated based on a post-tax operating earnings basis.

Reportable segment	Segment description
Australian Wealth Management (AWM)	AWM comprises three business lines providing advice, superannuation, retirement income and managed investment products through: – Platforms – provides a wrap platform which includes superannuation, retirement and investment solutions. – Master Trust – provides a whole of wealth solution for both retail and corporate members. – Advice – provides financial advice services and equity investments in advisor practices.
AMP Bank	AMP Bank offers residential mortgages, deposits and transactional banking services.
AMP Capital continuing operations	AMP Capital continuing operations represents AMP's investment in CLAMP, PCCP and certain seed and sponsor investments.
New Zealand Wealth Management (NZWM)	New Zealand wealth management encompasses wealth management, financial advice and general insurance distribution businesses in New Zealand. It provides clients with a variety of wealth management solutions, including KiwiSaver, corporate superannuation, retail investments, a wrap investment management platform and general insurance.

1.1 SEGMENT PERFORMANCE *CONTINUED*

(a) Segment profit

2022	AMP Bank $m	AWM[1] $m	NZWM $m	AMP Capital continuing operations[2] $m	Group Office $m	Total[3] $m
Segment profit/(loss) after income tax	**103**	**50**	**32**	**41**	**(42)**	**184**
Segment revenue	**397**	**806**	**125**	**50**	**–**	**1,378**
Presentation adjustments[4]						**87**
Total statutory revenue from contracts with customers						**1,465**
Other segment information						
Income tax (expense)/credit	**(44)**	**(18)**	**(13)**	**(8)**	**31**	**(52)**
Depreciation and amortisation	**(10)**	**(23)**	**(1)**	**–**	**–**	**(34)**
Investment income/(loss)[5]	**–**	**(14)**	**–**	**–**	**85**	**71**

2021	AMP Bank $m	AWM[1] $m	NZWM $m	AMP Capital continuing operations[2] $m	Group Office $m	Total[3] $m
Segment profit/(loss) after income tax	153	89	39	37	(38)	280
Segment revenue	413	1,013	150	49	–	1,625
Presentation adjustments[4]						66
Total statutory revenue from contracts with customers						1,691
Other segment information						
Income tax (expense)/credit	(66)	(38)	(16)	(8)	34	(94)
Depreciation and amortisation	(16)	(28)	(4)	–	–	(48)
Investment income/(loss)[5]	–	15	–	–	87	102

1 AMP Investments (formerly reported as the Multi-Asset Group within AMP Capital) has, following its transition to AWM, been presented within Australian Wealth Management and the performance for the year ended 31 December 2021 has been restated accordingly.
2 Includes CLAMP, PCCP and certain seed and sponsor investments.
3 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.
4 Presentation adjustments primarily reflect the difference between total segment revenue and statutory revenue from contracts with customers, as required by AASB 15 *Revenue from Contracts with Customers*. These adjustments include revenue from sources other than contracts with customers and expense items which are presented net in the segment results, but presented gross in the Consolidated income statement.
5 Investment income for group office includes income from investible capital, fair value movements from corporate hedging activity as well as equity accounted profits from AMP's 19.99% investment in CLPC and 19.13% investment in Resolution Life Australasia through 30 June 2021.

Notes to the financial statements

for the year ended 31 December 2022

1.1 SEGMENT PERFORMANCE *CONTINUED*

(b) The following table allocates the disaggregated segment revenue from contracts with customers to the group's operating segments (see note 1.1(a)):

2022	AMP Bank $m	AWM[1] $m	NZWM $m	AMP Capital continuing operations[2] $m	Group Office	Total[3] $m
Investment related	**–**	**719**	**92**	**32**	**–**	**843**
Management fees	**–**	**–**	**–**	**–**	**–**	**–**
Performance and transaction fees	**–**	**–**	**–**	**–**	**–**	**–**
Net interest income	**382**	**–**	**–**	**–**	**–**	**382**
Other revenue	**15**	**87**	**33**	**18**	**–**	**153**
Total segment revenue per segment note	**397**	**806**	**125**	**50**	**–**	**1,378**
Presentation adjustments[4]						**87**
Total statutory revenue from contracts with customers						**1,465**

2021	AMP Bank $m	AWM[1] $m	NZWM $m	AMP Capital continuing operations[2] $m	Group Office	Total[3] $m
Investment related	–	920	116	26	–	1,062
Management fees	–	–	–	6	–	6
Performance and transaction fees	–	–	–	2	–	2
Net interest income	399	–	–	–	–	399
Other revenue	14	93	34	15	–	156
Total segment revenue per segment note	413	1,013	150	49	–	1,625
Presentation adjustments[4]						66
Total statutory revenue from contracts with customers						1,691

1 AMP Investments (formerly reported as the Multi-Asset Group within AMP Capital) has, following its transition to AWM, been presented within Australian Wealth Management and the performance for the year ended 31 December 2021 has been restated accordingly.
2 Includes CLAMP, PCCP and certain seed and sponsor investments.
3 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.
4 Presentation adjustments primarily reflect the difference between total segment revenue and statutory revenue from contracts with customers, as required by AASB *15 Revenue from Contracts with Customers*. These adjustments include revenue from sources other than contracts with customers and expense items which are presented net in the segment results, but presented gross in the Consolidated income statement.

(c) Statutory revenue:

Statutory revenue from contracts with customers	2022 $m	2021[1] $m
Fee revenue		
– Investment management and related fees	**836**	999
– Financial advisory fees[2]	**596**	611
	1,432	1,610
Other revenue	**33**	81
Total statutory revenue from contracts with customers	**1,465**	1,691

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.
2 A substantial majority of the financial advisory fees received are paid to advisers. For statutory reporting purposes, financial advisory fees are presented gross of the related cost which is presented in Fee and commission expenses in the Consolidated income statement.

1.1 SEGMENT PERFORMANCE *CONTINUED*

(d) Reconciliations

Segment profit after income tax differs from profit/(loss) attributable to shareholders of AMP Limited due to the exclusion of the following items:

	2022 $m	2021[1] $m
Total segment profit after income tax	**184**	280
Client remediation and related costs	**(25)**	(78)
Transformation cost out	**(61)**	(133)
Separation costs	**(90)**	(75)
Impairments	**(68)**	(312)
Other items[2]	**400**	11
Amortisation of acquired intangible assets	**(4)**	(21)
AMP Capital discontinued operations[3]	**51**	76
Net profit/(loss) after tax	**387**	(252)
Profit/(Loss) attributable to shareholders of AMP Limited	**387**	(252)
Profit/(Loss) attributable to non-controlling interests	**–**	(2)
Profit/(Loss) for the year	**387**	(254)

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.
2 Other items largely comprise the gain on sale of the Infrastructure Debt platform, permanent tax differences and other one-off related impacts.
3 Includes the results of Infrastructure Debt, Global Equities and Fixed Income (GEFI), International Infrastructure Equity and Real Estate and Domestic Infrastructure Equity for the period that they have been controlled by AMP Capital.

Total segment revenue differs from Total revenue as follows:

	2022 $m	2021[1] $m
Total segment revenue	**1,378**	1,625
Add revenue excluded from segment revenue		
– Investment gains (excluding AMP Bank interest revenue)	**–**	39
– Other revenue	**33**	81
Add back expenses netted against segment revenue		
– Interest expense related to AMP Bank	**502**	276
– External investment manager and adviser fees paid in respect of certain assets under management	**435**	382
Movement in guarantee liabilities	**21**	66
Total revenue	**2,369**	2,469

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.

(e) Segment assets

Segment asset information has not been disclosed because the balances are not used by the Chief Executive Officer or the executive team for evaluating segment performance, or in allocating resources to segments.

Notes to the financial statements

for the year ended 31 December 2022

1.1 SEGMENT PERFORMANCE *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Revenue from contracts with customers

For AMP, revenue from contracts with customers arises primarily from the provision of investment management and financial advisory services. Revenue is recognised when control of services is transferred to the customer at an amount that reflects the consideration which AMP is entitled to in exchange for the services provided. As the customer simultaneously receives and consumes the benefits as the service is provided, control is transferred over time. Accordingly, revenue is recognised over time.

Fee rebates provided to customers are recognised as a reduction in fee revenue.

Investment management and related fees

Fees are charged to customers in connection with the provision of investment management and other related services. These performance obligations are satisfied on an ongoing basis, usually daily, and revenue is recognised as the service is provided.

Financial advisory fees

Financial advisory fees consist of fee-for-service revenue and commission income which are earned for providing customers with financial advice and performing related advisory services. These performance obligations are satisfied over time. Accordingly, revenue is recognised over time.

A substantial majority of the financial advisory fees received are paid to advisers. Financial advisory fees are presented gross of the related cost which is presented in Fees and commission expenses in the Consolidated income statement.

1.2 OTHER OPERATING EXPENSES

	2022 $m	2021[1] $m
Impairment of intangibles	**(9)**	(25)
Movement in expected credit losses	**(11)**	(25)
Information technology and communication	**(188)**	(182)
Onerous lease contracts	**(52)**	(118)
Professional and consulting fees	**(87)**	(181)
Amortisation of intangibles	**(49)**	(202)
Depreciation of property, plant and equipment	**(49)**	(53)
Other expenses	**(92)**	(306)
Total other operating expenses	**(537)**	(1,092)

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.

1.3 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated based on Profit attributable to shareholders of AMP and the weighted average number of ordinary shares outstanding.

Diluted earnings per share

Diluted earnings per share is based on Profit attributable to shareholders of AMP and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares, such as options and performance rights.

	2022 $m	2021[1] $m
Profit/(Loss) attributable to shareholders of AMP		
Continuing operations	**(4)**	(279)
Discontinued operations	**391**	27
Profit/(Loss) attributable to shareholders of AMP	**387**	(252)

	2022 $m	2021 $m
Weighted average number of ordinary shares for basic EPS[2]	**3,213**	3,335
Add: potential ordinary shares considered dilutive	**51**	–
Weighted average number of ordinary shares used in the calculation of dilutive earnings/(loss) per share	**3,264**	3,335

	2022 cents	2021 cents
Earnings/(Loss) per share		
Basic	**12.0**	(7.6)
Diluted[3]	**11.9**	(7.6)
Loss per share for continuing operations		
Basic	**(0.1)**	(8.4)
Diluted[3]	**(0.1)**	(8.4)

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.
2 The weighted average number of ordinary shares outstanding is calculated after deducting the weighted average number of treasury shares held during the period.
3 Where the results are a loss for the period, the weighted average number of shares used in the diluted Earnings Per Share calculation excludes potential ordinary shares as their inclusion is considered anti-dilutive.

Earnings per share for discontinued operations

Basic	**12.1**	0.8
Diluted	**12.0**	0.8

Notes to the financial statements

for the year ended 31 December 2022

1.4 TAXES

OUR TAXES

This sub-section outlines the impact of income taxes on the results and financial position of AMP. In particular:

- the impact of tax on the reported result;
- amounts owed to/receivable from the tax authorities; and
- deferred tax balances that arise due to differences in the tax and accounting treatment of balances recorded in the financial report.

These financial statements include the disclosures relating to tax required under accounting standards. Further information on AMP's tax matters can be found in the AMP Tax Report at amp.com.au/shares.

(a) Income tax credit

The following table provides a reconciliation of differences between prima facie tax calculated as 30% of the profit or loss before income tax for the year and the income tax expense or credit recognised in the Consolidated income statement for the year.

	2022 $m	2021[1] $m
Loss before tax	**(64)**	(347)
Tax at the Australian tax rate of 30% (2021: 30%)	**19**	104
Non-deductible expenses	**(23)**	(159)
Non-taxable income	**41**	59
Other items	**2**	(30)
Over provided in previous years	**19**	90
Differences in overseas tax rates	**2**	2
Income tax credit per Consolidated income statement	**60**	66

(b) Analysis of income tax credit

	2022 $m	2021[1] $m
Current tax (expense)/credit	**–**	47
Increase/(Decrease) in deferred tax assets	**197**	(60)
(Increase)/Decrease in deferred tax liabilities	**(137)**	79
Income tax credit	**60**	66

1 Information for the year ended 31 December 2021 has been restated to be on a continuing operations basis. Refer to note 5.2.

1.4 TAXES *CONTINUED*

(c) Analysis of deferred tax balances

	2022 $m	2021 $m
Analysis of deferred tax assets		
Expenses deductible in the future years	**236**	277
Unrealised movements on borrowings and derivatives	**–**	32
Unrealised investment losses	**58**	11
Losses available for offset against future taxable income	**289**	177
Lease liabilities	**169**	29
Capitalised software expenses	**108**	131
Transferred to assets held for sale	**(37)**	(6)
Other	**1**	4
Total deferred tax asset	**824**	655
Offset to tax	**(268)**	(135)
Net deferred tax assets	**556**	520
Analysis of deferred tax liabilities		
Unrealised investment gains	**121**	30
Right of use assets	**118**	20
Intangible assets	**26**	35
Unearned revenue	**18**	28
Transferred to liabilities held for sale	**(14)**	–
Other	**4**	23
Total deferred tax liability	**273**	136
Offset to tax	**(268)**	(135)
Net deferred tax liabilities	**5**	1

(d) Amounts recognised directly in equity

	2022 $m	2021 $m
Deferred income tax expense related to items taken directly to equity during the year	**(28)**	(43)

(e) Unused tax losses and deductible temporary differences not recognised

	2022 $m	2021 $m
Revenue losses	**212**	155
Deductible temporary differences	**–**	57
Capital losses	**1,115**	1,053

Notes to the financial statements

for the year ended 31 December 2022

1.4 TAXES *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Income tax expense

Income tax expense is the tax payable on taxable income for the current period based on the income tax rate for each jurisdiction and adjusted for changes in deferred tax assets and liabilities. These changes are attributable to:

- temporary differences between the tax bases of assets and liabilities and their Consolidated statement of financial position carrying amounts;
- unused tax losses; and
- the impact of changes in the amounts of deferred tax assets and liabilities arising from changes in tax rates or in the manner in which these balances are expected to be realised.

Adjustments to income tax expense are also made for any differences between the amounts paid, or expected to be paid, in relation to prior periods and the amounts provided for these periods at the start of the current period.

Any tax impact on income and expense items that are recognised directly in equity is also recognised directly in equity.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences and are measured at the tax rates which are expected to apply when the assets are recovered or liabilities are settled, based on tax rates that have been enacted or substantively enacted for each jurisdiction at the reporting date. Deferred tax assets and liabilities are not discounted to present value.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax consolidation

AMP Limited and its wholly owned Australian controlled entities are part of a tax-consolidated group, with AMP Limited being the head entity (the company). A tax funding agreement has been entered into by the head entity and the controlled entities in the tax-consolidated group and requires entities to fully compensate the company for current tax liabilities and to be fully compensated by the company for any current or deferred tax assets in respect of tax losses arising from external transactions occurring after 30 June 2003, the implementation date of the tax-consolidated group.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The AMP group is subject to taxes in Australia and other jurisdictions where it has operations. The application of tax law to the specific circumstances and transactions of the AMP group requires the exercise of judgement by management. The tax treatments adopted by management in preparing the financial statements may be impacted by changes in legislation and interpretations or be subject to challenge by tax authorities.

Judgement is also applied by management in setting assumptions used to forecast future profitability in order to determine the extent to which the recovery of carried forward tax losses and deductible temporary differences are probable for the purpose of meeting the criteria for recognition as deferred tax assets (DTAs). Future profitability may differ from forecasts which could impact management's expectations in future periods with respect to the recoverability of DTAs and result in DTA impairments or reversals of prior DTA impairments.

2 SECTION LOANS AND ADVANCES, INVESTMENTS, INTANGIBLES AND WORKING CAPITAL

This section highlights the AMP group's assets and working capital used to support the AMP group's activities.

2.1 LOANS AND ADVANCES

(a) Loans and advances

	2022 $m	2021 $m
Housing loans[1]	**23,929**	21,847
Practice finance loans	**252**	316
Total loans and advances[2]	**24,181**	22,163
Less: Provisions for impairment		
Individual provisions		
– Housing loans	**(2)**	(7)
– Practice finance loans	**(64)**	(83)
Collective provisions	**(35)**	(26)
Total provisions for impairment	**(101)**	(116)
Total net loans and advances	**24,080**	22,047
Movement in provisions:		
Individual provision		
Balance at the beginning of the year	**90**	107
Increase in provision – housing loans	**–**	1
Bad debts written off	**(1)**	(3)
Provision released	**(23)**	(15)
Balance at the end of the year	**66**	90
Collective provision		
Balance at the beginning of the year	**26**	47
Increase/(Decrease) in provision	**9**	(21)
Balance at the end of the year	**35**	26

1 Total housing loans include net capitalised costs of $114m (2021: $87m).
2 Total loans and advances of $18,691m (2021: $16,600m) is expected to be received more than 12 months after the reporting date.

Notes to the financial statements

for the year ended 31 December 2022

2.1 LOANS AND ADVANCES *CONTINUED*

(b) Expected credit losses

The following table provides the changes to expected credit losses (ECLs) relating to loans and advances during the year.

2022	Stage 1 collective $m	Stage 2 collective $m	Stage 3 collective and individual $m	Total $m
Balance at the beginning of the year	**18**	**8**	**90**	**116**
Transferred to Stage 1 (12-months ECL)	**12**	**(2)**	**(10)**	**–**
Transferred to Stage 2 (lifetime ECL credit impaired)	**(1)**	**2**	**(1)**	**–**
Transferred to Stage 3 (lifetime ECL credit impaired)	**–**	**(1)**	**1**	**–**
Increased/(Released) provisions during the period	**(11)**	**5**	**8**	**2**
Bad debts written off	**–**	**–**	**(1)**	**(1)**
Release of provision for practice finance loans	**–**	**–**	**(16)**	**(16)**
Balance at the end of the year	**18**	**12**	**71**	**101**

2021	Stage 1 collective $m	Stage 2 collective $m	Stage 3 collective and individual $m	Total $m
Balance at the beginning of the year	31	16	107	154
Transferred to Stage 1 (12-months ECL)	15	(8)	(7)	–
Transferred to Stage 2 (lifetime ECL credit impaired)	–	2	(2)	–
Transferred to Stage 3 (lifetime ECL credit impaired)	(1)	(1)	2	–
(Released)/increased provisions during the period	(27)	(1)	1	(27)
Bad debts written off	–	–	(3)	(3)
Release of provision for practice finance loans	–	–	(8)	(8)
Balance at the end of the year	18	8	90	116

2.1 LOANS AND ADVANCES *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Financial assets measured at amortised cost – loans and advances and debt securities

Loans and advances and debt securities are measured at amortised cost when both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. These assets are subsequently recognised at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when AMP Bank provides money directly to a customer, including loans and advances to advisers, and with no intention of trading the financial asset. Loans and advances are initially recognised at fair value, including direct and incremental transaction costs relating to loan origination. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

IMPAIRMENT OF FINANCIAL ASSETS

An allowance for expected credit losses (ECLs) is recognised for financial assets not held at fair value through profit or loss. ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument. The key elements in the measurement of ECLs are as follows:

- PD – the probability of default is an estimate of the likelihood of default over a given time horizon.
- EAD – the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- LGD – loss given default is an estimate of the loss arising in the case where default occurs at a given time. It is based on the difference between cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive, including from the realisation of any collateral.

The group estimates these elements using appropriate credit risk models taking into consideration a number of factors, including the internal and external credit ratings of the assets, nature and value of collateral and forward-looking macro-economic scenarios.

Other than ECL on trade receivables, where a simplified approach is taken, the group applies a three-stage approach to measure the ECLs as follows:

STAGE 1 (12-MONTH ECL)

The group collectively assesses and recognises a provision at an amount equal to 12-month ECL when financial assets are current and/or have had a good performance history and are of low credit risk. It includes financial assets where the credit risk has improved and the financial assets have been reclassified from Stage 2 or even Stage 3 based on improved performance observed over a predefined period of time. A financial asset is considered to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

STAGE 2 (LIFETIME ECL – NOT CREDIT IMPAIRED)

The group collectively assesses and recognises a provision at an amount equal to lifetime ECL on financial assets where there has been a significant increase in credit risk since initial recognition but the financial assets are not credit impaired.

The quantitative criteria used to determine a significant increase in credit risk is a series of relative and absolute thresholds. Financial assets that were 30 days past due at least once over the last six months are deemed to have significant increase in credit risk since initial recognition. For loans and advances, other risk factors like hardship, loan to value ratio (LVR) and loan to income ratio (LTI) are also considered in order to determine a significant increase in credit risk.

STAGE 3 (LIFETIME ECL – CREDIT IMPAIRED)

The group measures loss allowances at an amount equal to lifetime ECL on financial assets that are determined to be credit impaired based on objective evidence of impairment. Financial assets are classified as impaired when payment is 90 days past due or when there is no longer reasonable assurance that principal or interest will be collected in their entirety on a timely basis.

Notes to the financial statements

for the year ended 31 December 2022

2.1 LOANS AND ADVANCES *CONTINUED*

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Impairment

The impairment provisions (individual and collective) are outputs of ECL models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting estimates and judgements include:

- the AMP group's internal grading which assigns PDs to the individual grades;
- the AMP group's estimates of LGDs arising in the event of default;
- the AMP group's criteria for assessing if there has been a significant increase in credit risk;
- development of ECL models, including the various formulas, choice of inputs and assumptions; and
- determination of associations between macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Future outcomes and macro-economic conditions which differ from management's assumptions and estimates could result in changes to the timing and amount of credit losses to be recognised.

2.2 INVESTMENTS IN OTHER FINANCIAL ASSETS AND LIABILITIES

	2022 $m	2021 $m
Financial assets measured at fair value through profit or loss		
Equity securities and listed managed investment schemes	**5**	13
Debt securities	**255**	751
Unlisted managed investment schemes [1]	**233**	314
Derivative financial assets	**552**	334
Total financial assets measured at fair value through profit or loss	**1,045**	1,412
Financial assets measured at fair value through other comprehensive income		
Debt securities [2]	**4,150**	2,184
Total financial assets measured at fair value through other comprehensive income	**4,150**	2,184
Other financial assets measured at amortised cost		
Debt securities	**599**	88
Total other financial assets measured at amortised cost	**599**	88
Total other financial assets	**5,794**	3,684
Other financial liabilities		
Derivative financial liabilities	**128**	185
Collateral deposits held	**133**	108
Total other financial liabilities	**261**	293

1 $53m of Unlisted managed investment schemes (FY21 $70m) are held by AMP Foundation for charitable purposes in accordance with the AMP Foundation Trust Deed.

2 Debt securities measured at fair value through other comprehensive income are assets of AMP Bank.

2.2 INVESTMENTS IN OTHER FINANCIAL ASSETS AND LIABILITIES *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Recognition and derecognition of financial assets and liabilities

Financial assets and financial liabilities are recognised at the date the AMP group becomes a party to the contractual provisions of the instrument. At initial recognition, financial assets are classified as subsequently measured at fair value through profit or loss, fair value through other comprehensive income (OCI), and amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to an unrelated third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets measured at fair value through profit or loss

Financial assets measured on initial recognition as financial assets measured at fair value through profit or loss are initially recognised at fair value, determined as the purchase cost of the asset, exclusive of any transaction costs. Transaction costs are expensed as incurred in profit or loss. Any realised and unrealised gains or losses arising from subsequent measurement at fair value are recognised in profit or loss in the period in which they arise.

Financial assets measured at fair value through profit or loss – debt securities

Debt securities can be irrevocably designated, at initial recognition, as measured at fair value through profit or loss where doing so would eliminate or significantly reduce a measurement or recognition inconsistency or otherwise results in more relevant information. Fair value on initial recognition is determined as the purchase cost of the asset, exclusive of any transaction costs. Transactions costs are expensed as incurred in profit or loss. Subsequent measurement is determined with reference to the bid price at the reporting date. Any realised and unrealised gains or losses arising from subsequent measurement at fair value are recognised in the Consolidated income statement in the period in which they arise.

Financial assets measured at fair value through OCI – debt securities

Debt securities are measured at fair value through OCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through OCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and impairment losses or reversals are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. The accumulated gains or losses recognised in OCI are recycled to profit and loss upon derecognition of the assets.

The group classifies debt securities held by AMP Bank under this category.

Financial assets measured at amortised cost – debt securities

Refer to note 2.1 for details.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Financial assets and liabilities measured at fair value

Where available, quoted market prices for the same or similar instruments are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Management applies judgement in selecting valuation techniques and setting valuation assumptions and inputs. Further detail on the determination of fair value of financial instruments is set out in note 2.7.

Notes to the financial statements

for the year ended 31 December 2022

2.3 INTANGIBLES

	Goodwill $m	Capitalised costs $m	Value of in-force business $m	Distribution networks $m	Other intangibles $m	Total $m
2022						
Balance at the beginning of the year	**149**	**123**	**–**	**50**	**8**	**330**
Additions through separate acquisitions	**–**	**–**	**–**	**20**	**–**	**20**
Additions through internal development	**–**	**26**	**–**	**–**	**–**	**26**
Reductions through disposal	**–**	**–**	**–**	**(23)**	**(1)**	**(24)**
Transferred to inventories	**–**	**–**	**–**	**(5)**	**–**	**(5)**
Amortisation expense	**–**	**(43)**	**–**	**(6)**	**–**	**(49)**
Impairment loss	**–**	**(9)**	**–**	**–**	**–**	**(9)**
Transferred to assets held for sale	**(79)**	**(5)**	**–**	**–**	**(7)**	**(91)**
Balance at the end of the year	**70**	**92**	**–**	**36**	**–**	**198**

	Goodwill $m	Capitalised costs $m	Value of in-force business $m	Distribution networks $m	Other intangibles $m	Total $m
2021						
Balance at the beginning of the year	157	228	114	119	11	629
Additions through separate acquisitions	–	–	–	49	–	49
Additions through internal development	–	51	–	–	–	51
Reductions through disposal	–	(40)	(24)	(96)	–	(160)
Transferred from inventories	–	–	–	2	–	2
Amortisation expense	–	(93)	(90)	(18)	(1)	(202)
Impairment loss	–	(19)	–	(6)	–	(25)
Transferred to assets held for sale	(8)	(4)	–	–	(2)	(14)
Balance at the end of the year	149	123	–	50	8	330

2.3 INTANGIBLES *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Goodwill

Goodwill acquired in a business combination is recognised at cost and subsequently measured at cost less any accumulated impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets acquired and liabilities assumed.

Capitalised costs

Costs are capitalised when the costs relate to the creation of an asset with expected future economic benefits which are capable of reliable measurement. Capitalised costs are amortised on a straight-line basis over the estimated useful life of the asset, commencing at the time the asset is first put into use or held ready for use, whichever is the earlier.

Value of in-force business

The value of in-force business represented the fair value of future business arising from existing contractual arrangements of a business acquired as part of a business combination. The value of in-force business was initially measured at fair value and was subsequently measured at fair value less amortisation and any accumulated impairment losses.

Distribution networks

Distribution networks such as customer lists, financial planner client servicing rights or other distribution-related rights, either acquired separately or through a business combination, are initially measured at fair value and subsequently measured at cost less amortisation and any accumulated impairment losses.

Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis over the useful life of the intangible asset. The estimated useful lives are generally:

Item	Useful life
Capitalised costs	Up to 10 years
Distribution networks	2 to 15 years

The useful life of each intangible asset is reviewed at the end of the period and, where necessary, adjusted to reflect current assessments.

Impairment testing

Goodwill and intangible assets that have indefinite useful lives are tested at least annually for impairment. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). An impairment loss is recognised when the CGU's carrying amount exceeds the CGU's recoverable amount. When applicable, an impairment loss is first allocated to goodwill and any remainder is then allocated to the other assets on a pro-rata basis.

Notes to the financial statements

for the year ended 31 December 2022

2.3 INTANGIBLES *CONTINUED*

Composition of goodwill

The goodwill of $70m (2021: $149m) arose from historical acquisitions where the AMP group was the acquirer. Goodwill attributable to the relevant CGUs is presented in the table below.

	2022 $m	2021 $m
New Zealand Wealth Management (NZWM)	**70**	70
AMP Capital	**–**	79
	70	149

The annual impairment assessment for NZWM resulted in significant headroom and there was no reasonably possible change to a key assumption used in the assessment that would result in an impairment at 31 December 2022. AMP Capital goodwill was transferred to assets held for sale in the Consolidated statement of financial position at 31 December 2022 considering the sale of AMP Capital.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management applies judgement in selecting valuation techniques and setting valuation assumptions to determine the:

- acquisition date fair value and estimated useful life of acquired intangible assets;
- allocation of goodwill to CGUs and determining the recoverable amount of the CGUs; and
- assessment of whether there are any impairment indicators for acquired intangibles and internally generated intangibles, where required, in determining the recoverable amount.

2.4 OTHER ASSETS

	2022 $m	2021 $m
Planner registers held for sale	**9**	11
Prepayments	**30**	66
Property, plant and equipment	**26**	73
Total other assets	**65**	150
Current	***35***	*71*
Non-current	***30***	*79*

2.5 RECEIVABLES

	2022 $m	2021 $m
Investment related receivables	**52**	13
Client register receivables	**52**	41
Collateral receivables	**108**	47
Trade debtors and other receivables	**156**	471
Sublease receivables	**60**	–
Total receivables[1]	**428**	572
Current	***320***	*532*
Non-current	***108***	*40*

1 Receivables are presented net of ECL of $40m (2021: $34m).

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Receivables

Trade debtors, client register, sublease receivables, collateral and other receivables are measured at amortised cost, less an allowance for ECLs. Investment related receivables are financial assets measured at fair value through profit or loss.

The group applies a simplified approach in calculating ECLs for receivables. Therefore, the group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.6 PAYABLES

	2022 $m	2021 $m
Accrued expenses	**99**	177
Trade creditors and other payables	**135**	172
Total payables	**234**	349
Current	***234***	*349*
Non-current	**–**	–

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Payables

Payables are measured at the nominal amount payable. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

Notes to the financial statements

for the year ended 31 December 2022

2.7 FAIR VALUE INFORMATION

The following table shows the carrying amount and estimated fair values of financial instruments, including their levels in the fair value hierarchy.

2022	Carrying amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total fair value $m
Financial assets measured at fair value					
Equity securities	**5**	**–**	**–**	**5**	**5**
Debt securities	**4,405**	**3,260**	**1,145**	**–**	**4,405**
Unlisted managed investment schemes	**233**	**–**	**100**	**133**	**233**
Derivative financial assets	**552**	**–**	**552**	**–**	**552**
Total financial assets measured at fair value	**5,195**	**3,260**	**1,797**	**138**	**5,195**
Financial assets not measured at fair value					
Loans and advances	**24,080**	**–**	**–**	**23,963**	**23,963**
Debt securities	**599**	**–**	**600**	**–**	**600**
Total financial assets not measured at fair value	**24,679**	**–**	**600**	**23,963**	**24,563**
Financial liabilities measured at fair value					
Derivative financial liabilities	**128**	**–**	**128**	**–**	**128**
Collateral deposits held	**133**	**–**	**133**	**–**	**133**
Guarantee liabilities	**64**	**–**	**–**	**64**	**64**
Total financial liabilities measured at fair value	**325**	**–**	**261**	**64**	**325**
Financial liabilities not measured at fair value					
AMP Bank					
– Deposits	**20,737**	**–**	**20,778**	**–**	**20,778**
– Other	**6,769**	**–**	**6,752**	**–**	**6,752**
– Subordinated Debt	**201**	**–**	**209**	**–**	**209**
Corporate borrowings	**1,255**	**–**	**1,274**	**–**	**1,274**
Total financial liabilities not measured at fair value	**28,962**	**–**	**29,013**	**–**	**29,013**

2.7 FAIR VALUE INFORMATION *CONTINUED*

2021	Carrying amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total fair value $m
Financial assets measured at fair value					
Equity securities	13	–	–	13	13
Debt securities	2,935	2,134	801	–	2,935
Unlisted managed investment schemes	314	–	263	51	314
Derivative financial assets	334	–	334	–	334
Total financial assets measured at fair value	3,596	2,134	1,398	64	3,596
Financial assets not measured at fair value					
Loans and advances	22,047	–	–	22,227	22,227
Debt securities	88	–	88	–	88
Total financial assets not measured at fair value	22,135	–	88	22,227	22,315
Financial liabilities measured at fair value					
Derivative financial liabilities	185	–	185	–	185
Collateral deposits held	108	–	108	–	108
Guarantee liabilities	85	–	–	85	85
Total financial liabilities measured at fair value	378	–	293	85	378
Financial liabilities not measured at fair value					
AMP Bank					
– Deposits	17,791	–	17,808	–	17,808
– Other	6,631	–	6,663	–	6,663
Corporate borrowings	1,695	–	1,716	–	1,716
Total financial liabilities not measured at fair value	26,117	–	26,187	–	26,187

Notes to the financial statements

for the year ended 31 December 2022

2.7 FAIR VALUE INFORMATION *CONTINUED*

AMP's methodology and assumptions used to estimate the fair value of financial instruments are described below:

Equity securities	The fair value of equity securities is established using valuation techniques, including the use of recent arm's length transactions, references to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.
Debt securities	The fair value of listed debt securities reflects the bid price at the reporting date. Listed debt securities that are not frequently traded are valued by discounting estimated recoverable amounts. The fair value of unlisted debt securities is estimated using interest rate yields obtainable on comparable listed investments. For debt securities with a maturity of less than 12 months, par value is considered a reasonable approximation of fair value.
Loans	The estimated fair value of loans represents the discounted amount of estimated future cash flows expected to be received, based on the maturity profile of the loans. As the loans are unlisted, the discount rates applied are based on the yield curve appropriate to the remaining term of the loans. The loans may, from time to time, be measured at an amount in excess of fair value due to fluctuations on fixed rate loans. In these situations, as the fluctuations in fair value would not represent a permanent diminution and the carrying amounts of the loans are recorded at recoverable amounts after assessing impairment, it would not be appropriate to restate their carrying amount.
Unlisted managed investment schemes	The fair value of investments in unlisted managed investment schemes is determined on the basis of published redemption prices of those managed investment schemes at the reporting date.
Derivative financial assets and liabilities	The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices (current bid price or current offer price) at the reporting date. The fair value of financial instruments not traded in an active market (eg over-the-counter derivatives) is determined using valuation techniques. Valuation techniques include net present value techniques, option pricing models, discounted cash flow methods and comparison to quoted market prices or dealer quotes for similar instruments. The models use a number of inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying instruments. Some derivatives contracts are significantly cash collateralised, thereby minimising both counterparty risk and the group's own non-performance risk.
Corporate borrowings	Borrowings comprise commercial paper, drawn liquidity facilities, various floating-rate and medium-term notes and subordinated debt. The estimated fair value of borrowings is determined with reference to quoted market prices. For borrowings where quoted market prices are not available, a discounted cash flow model is used, based on a current yield curve appropriate for the remaining term to maturity. For short-term borrowings, the par value is considered a reasonable approximation of the fair value.
AMP Bank deposits and other borrowings	The estimated fair value of deposits and other borrowings represents the discounted amount of estimated future cash flows expected to be paid based on the residual maturity of these liabilities. The discount rate applied is based on a current yield curve appropriate for similar types of deposits and borrowings at the reporting date.
Guarantee liabilities	The fair value of the guarantee liabilities is determined as the net present value of future cash flows discounted using market rates. The future cash flows are determined using risk neutral stochastic projections based on assumptions such as mortality rate, lapse rate and asset class allocation/correlation. The future cash flows comprise expected guarantee claims and hedging expenses net of expected fee revenue.

2.7 FAIR VALUE INFORMATION *CONTINUED*

Financial assets and liabilities measured at fair value are categorised using the fair value hierarchy which reflects the significance of inputs into the determination of fair value as follows:

- Level 1: the fair value is valued by reference to quoted prices and active markets for identical assets or liabilities.
- Level 2: the fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There have been no significant transfers between Level 1 and Level 2 during the 2022 financial year. Transfers to and from Level 3 are shown in the Reconciliation of Level 3 values table later in this note.

Level 3 fair values

For financial assets measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets was governed by valuation policies adopted by the AMP group, including the AMP Capital valuation policy. These policies outline the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including investment property, infrastructure, private equity, alternative assets, and illiquid debt securities. All significant Level 3 assets were referred to the appropriate valuation committee who met at least every six months, or more frequently if required.

The following table shows the valuation techniques used in measuring Level 3 fair values of financial assets measured at fair value on a recurring basis, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Equity securities	Discounted cash flow approach utilising cost of equity as the discount rate	Discount rate Terminal value growth rate Cash flow forecasts
Unlisted managed investment schemes	Published redemption prices	Judgement made in determining unit prices
Guarantee liabilities	Discounted cash flow approach	Discount rate Hedging costs

Sensitivity

The following table illustrates the impacts to profit before tax and equity resulting from reasonably possible changes in key assumptions.

	2022		2021	
	(+) $m	(-) $m	(+) $m	(-) $m
Financial assets [1]				
Equity securities	**1**	**(1)**	1	(1)
Unlisted managed investment schemes	**23**	**(23)**	5	(5)
Financial liabilities				
Guarantee liabilities [2]	**(3)**	**(2)**	(2)	(3)

1 Reasonably possible changes in price movements of 10% (2021: 10%) have been applied in determining the impact on profit after tax and equity.

2 Reasonably possible changes in equity market movements of 20% (2021: 20%) and bond yield movements of 100bps (2021: 50 bps) have been applied in determining the impact on profit after tax and equity. The sensitivities disclosed are shown net of the offsetting impacts of derivatives held as economic hedges of the Guarantee liabilities.

Notes to the financial statements

for the year ended 31 December 2022

2.7 FAIR VALUE INFORMATION *CONTINUED*

Reconciliation of Level 3 values

The following table shows movements in the fair values of financial instruments measured at fair value on a recurring basis and categorised as Level 3 in the fair value hierarchy:

2022	Balance at the beginning of the year $m	FX gains/ (losses) $m	Total gains/ (losses) $m	Purchases/ (deposits) $m	Sales/ (withdrawals) $m	Net transfers in/(out)[1] $m	Balance at the end of the year $m	Total gains/ (losses) on assets and liabilities held at reporting date $m
Assets classified as Level 3								
Equity securities	**13**	**–**	**(8)**	**–**	**–**	**–**	**5**	**(8)**
Unlisted managed investment schemes	**51**	**–**	**18**	**–**	**–**	**64**	**133**	**18**
Liabilities classified as Level 3								
Guarantee liabilities	**(85)**	**–**	**13**	**–**	**8**	**–**	**(64)**	**13**
2021								
Assets classified as Level 3								
Equity securities	7	–	(1)	8	(1)	–	13	–
Unlisted managed investment schemes	41	1	3	7	–	–	51	3
Liabilities classified as Level 3								
Guarantee liabilities	(151)	–	33	–	33	–	(85)	33

1 Net transfers in of $64m relates to investments in AMP Capital Infrastructure Debt Fund III USD LP and AMP Capital Infrastructure Debt Fund IV USD LP which were transferred from investments in associates as AMP no longer has significant influence following the sale of the infrastructure debt platform.

3
SECTION

CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT

This section provides information relating to:

– the AMP group's capital management and equity and debt structure; and
– exposure to financial risks – how the risks affect financial position and performance and how the risks are managed, including the use of derivative financial instruments

The capital structure of the AMP group consists of equity and debt. AMP determines the appropriate capital structure in order to finance the current and future activities of the AMP group and satisfy the requirements of the regulator. The directors review the group's capital structure and dividend policy regularly and do so in the context of the group's ability to satisfy minimum and target capital requirements.

3.1 CONTRIBUTED EQUITY

	2022 $m	2021 $m
Issued capital		
3,043,140,026 (2021: 3,266,105,853) ordinary shares fully paid	**5,008**	10,206
Treasury shares [1]		
2,126,387 (2021: 2,126,387) treasury shares	**(6)**	(6)
Total contributed equity		
3,041,013,639 (2021: 3,263,979,466) ordinary shares fully paid	**5,002**	10,200
Issued capital		
Balance at the beginning of the year	**10,206**	10,402
222,965,827 (2021: 170,493,388) shares purchased on-market	**(267)**	(196)
Capital reduction [2]	**(4,931)**	–
Balance at the end of the year	**5,008**	10,206

1 Held by AMP Foundation.
2 In December of 2022, in accordance with section 258F of the *Corporations Act 2001*, the Board of Directors resolved to reduce AMP's share capital by $4,931m, representing historic permanent losses recognised by the AMP group in prior reporting periods. Those losses arose from businesses in which AMP no longer operates, including UK demerger losses and losses relating to AMP's wealth protection and mature businesses which were sold to Resolution Life in 2020. The adjustment to share capital has the effect of reducing AMP's contributed equity and retained losses as disclosed on the Consolidated statement of changes in equity. The adjustment has no impact on the net assets, financial results, cash flows, and regulatory capital of the consolidated group or the company's number of shares issued.

Holders of ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Fully paid ordinary shares carry the right to one vote per share. Ordinary shares have no par value.

Notes to the financial statements

for the year ended 31 December 2022

3.1 CONTRIBUTED EQUITY *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Issued capital

Issued capital in respect of ordinary shares is recognised as the fair value of consideration received by the AMP Limited entity. Incremental costs directly attributable to the issue of certain new shares are recognised in equity as a deduction, net of tax, from the proceeds.

Treasury shares

AMP Foundation holds AMP Limited shares (treasury shares). These shares, plus any corresponding Consolidated income statement fair value movement on the shares and any dividend income, are eliminated on consolidation.

3.2 INTEREST-BEARING LIABILITIES

(a) Interest-bearing liabilities

	2022			2021		
	Current $m	Non-current $m	Total $m	Current $m	Non-current $m	Total $m
Interest-bearing liabilities						
AMP Bank						
– Deposits [1]	**19,983**	**754**	**20,737**	17,656	135	17,791
– Other	**3,229**	**3,540**	**6,769**	3,200	3,431	6,631
– Subordinated debt [2,3]	**–**	**201**	**201**	–	–	–
Corporate entity borrowings [3]						
– 6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	**–**	**–**	**–**	60	–	60
– AMP Notes 3 (first call 2023, maturity 2028) [4]	**252**	**–**	**252**	–	250	250
– AMP Subordinated Notes	**–**	**–**	**–**	250	–	250
– AMP Capital Notes 2 [5]	**–**	**273**	**273**	–	272	272
– CHF Medium Term Notes [6]	**332**	**252**	**584**	238	625	863
– Other	**146**	**–**	**146**	–	–	–
Total interest-bearing liabilities	**23,942**	**5,020**	**28,962**	21,404	4,713	26,117

1 Deposits comprise at call customer deposits and customer term deposits at variable interest rates with the AMP Bank.

2 AMP Bank subordinated debt was issued on 7 October 2022 and matures on 7 October 2032.

3 The current/non-current classification of corporate entity borrowings and AMP Bank subordinated debt are based on the maturity of the underlying debt instrument and related principal repayment obligations. The carrying value of corporate entity borrowings and AMP Bank subordinated debt include interest payable of $8m (2021: $5m) which is expected to be settled within the next 12 months.

4 AMP Note 3 are floating rate subordinated unsecured notes issued on 15 November 2018 and mature on 15 November 2028. Subject to APRA approval, AMP has the right, but not the obligation, to redeem all or some of the Notes on 15 November 2023, or, subject to certain conditions, at a later date. In certain circumstances, AMP may be required to convert some or all of the Notes into AMP ordinary shares.

5 AMP Capital Notes 2 (ASX:AMPPB) were issued on 23 December 2019. Subject to APRA approval, AMP has the right, but not the obligation, to redeem all or some of the notes on 16 December 2025, or, subject to certain conditions, at a later date. These Notes are perpetual with no maturity date. In certain circumstances, AMP may be required to convert some or all of the Notes into AMP ordinary shares.

6 CHF 140m Senior Unsecured Fixed Rate Bond was issued on 18 April 2019 and was subsequently increased by CHF 100m on 3 December 2019. On 31 August 2022, CHF 30m of this note was repaid. The remaining balance matures on 18 July 2023. CHF 175m Senior Unsecured Fixed Rate Bond was issued on 3 March 2020 of which CHF 10m was repaid on 31 August 2022. The remaining balance matures on 3 June 2024.

3.2 INTEREST-BEARING LIABILITIES *CONTINUED*

(b) Changes in liabilities arising from operating and financing activities

	2022 $m	2021 $m
1 January	**26,117**	24,916
Cash flows	**2,753**	1,185
Other	**92**	16
31 December	**28,962**	26,117

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Interest-bearing liabilities are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

It is AMP's policy to hedge currency and interest rate risk arising on issued bonds and subordinated debt. When fair value hedge accounting is applied, the carrying amounts of borrowings and subordinated debt are adjusted for changes in fair value related to the hedged risk for the period that the hedge relationship remains effective. Any changes in fair value for the period are recognised in the Consolidated income statement. In cash flow hedge relationships the borrowings are not revalued.

Finance costs include:

(i) borrowing costs:
  - interest on bank overdrafts, borrowings and subordinated debt;
  - amortisation of discounts or premiums related to borrowings;

(ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs; and

(iii) changes in the fair value of derivative hedges together with any change in the fair value of the hedged assets or liabilities that are designated and qualify as fair value hedges, foreign exchange gains and losses and other financing-related amounts. Changes in the fair value of derivatives in effective cash flow hedges are recognised in the cash flow hedge reserve. The accounting policy for derivatives is set out in note 3.4.

Finance costs are recognised as expenses when incurred.

Notes to the financial statements

for the year ended 31 December 2022

3.3 FINANCIAL RISK MANAGEMENT

The AMP Limited Board has overall responsibility for the risk management framework, including the approval of AMP's strategic plan, risk management strategy and risk appetite. Specifically, financial risk arises from the holding of financial instruments and financial risk management (FRM) is an integral part of the AMP group's enterprise risk management framework.

This note discloses financial risk in accordance with the categories in AASB 7 *Financial Instruments: Disclosures*:

– market risk;
– liquidity and refinancing risk; and
– credit risk.

These risks are managed in accordance with the board-approved risk appetite statement and the individual policies for each risk category and business approved by the Chief Financial Officer (CFO) under delegation from the AMP Group Asset and Liability Committee (Group ALCO).

(a) Market risk

Market risk is the risk that the fair value of assets and liabilities, or future cash flows of a financial instrument, will fluctuate due to movements in the financial markets, including interest rates, foreign exchange rates, equity prices, property prices, credit spreads, commodity prices, market volatilities and other financial market variables.

The following table provides information on significant market risk exposures for the AMP group, which could lead to an impact on the AMP group's profit after tax and equity, and the management of those exposures.

Market risk	Exposures	Management of exposures and use of derivatives
Interest rate risk The risk of an impact on the AMP group's profit after tax and equity arising from fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. Interest rate movements could result from changes in the absolute levels of interest rates, the shape of the yield curve, the margin between yield curves and the volatility of interest rates.	The AMP group's long-term borrowings and subordinated debt.	Interest rate risk is managed by entering into interest rate swaps, which have the effect of converting borrowings from fixed to floating rate.
	AMP Bank interest rate risk from mismatches in the repricing terms of assets and liabilities (term risk) and variable rate short-term repricing bases (basis risk).	AMP Bank uses natural offsets, interest rate swaps and basis swaps to hedge the mismatches within exposure limits. Group Treasury manages the exposure in AMP Bank by maintaining a net interest rate risk position within the limits delegated and approved by the AMP Bank Board.
Currency risk The risk of an impact on the AMP group's profit after tax and equity arising from fluctuations of the fair value of a financial asset, liability or commitment due to changes in foreign exchange rates.	Foreign currency denominated assets and liabilities. Foreign equity accounted associates and capital invested in overseas operations. Foreign exchange rate movements on specific cash flow transactions.	The AMP group uses swaps to hedge the interest rate risk and foreign currency risk on foreign currency denominated borrowings. The AMP group utilises various hedging instruments to hedge foreign currency risk arising from certain investments denominated in a foreign currency. The AMP group hedges material foreign currency risk originated by receipts and payments once the value and timing of the expected cash flow is known. In addition, the AMP group will at times pre-hedge any future (but not expected) foreign currency receipts and payments, subject to market conditions.
Equity price risk The risk of an impact on the AMP group's profit after tax and equity arising from fluctuations in the fair value or future cash flows of a financial instrument due to changes in equity prices.	Exposure for shareholders includes listed and unlisted shares, guarantee liabilities and participation in equity unit trusts.	Group Treasury may, with Group ALCO approval, use equity exposures or equity futures or options to hedge other enterprise-wide equity exposures.

3.3 FINANCIAL RISK MANAGEMENT *CONTINUED*

(a) Market risk *continued*

Sensitivity analysis

The table below includes sensitivity analysis showing how the profit after tax and equity would have been impacted by changes in market risk variables. The analysis:

– shows the direct impact of a reasonably possible change in market rates and is not intended to illustrate a remote, worst case stress test scenario;
– assumes that all underlying exposures and related hedges are included and the change in variable occurs at the reporting date; and
– does not include the impact of any mitigating management actions over the period to the subsequent reporting date.

The categories of risks faced and methods used for deriving sensitivity information did not change from previous periods.

Sensitivity analysis	Change in variables	2022 Impact on profit after tax increase (decrease) $m	2022 Impact on equity[1] increase (decrease) $m	2021 Impact on profit after tax increase (decrease) $m	2021 Impact on equity[1] increase (decrease) $m
Interest rate risk					
Impact of a 100 basis point (bp) change in Australian and international interest rates.	- 100bp	**1.0**	**8.1**	2.7	10.4
	+100bp	**(5.0)**	**(11.5)**	(4.0)	(10.9)
Currency risk					
Impact of a 10% movement of exchange rates against the Australian dollar on currency sensitive monetary assets and liabilities.	10% depreciation of AUD	**(63.5)**	**9.5**	0.1	99.1
	10% appreciation of AUD	**27.5**	**(34.3)**	(0.5)	(81.5)
Equity price risk					
Impact of a 10% movement in Australian and international equities. Any potential impact on fees from the AMP group's investment-linked business is not included.	10% increase in:				
	Australian equities	**0.3**	**0.3**	0.1	0.1
	International equities	**0.6**	**0.6**	0.0	0.0
	10% decrease in:				
	Australian equities	**(0.5)**	**(0.5)**	(0.7)	(0.7)
	International equities	**(0.5)**	**(0.5)**	(0.9)	(0.9)

1 Included in the impact on equity is both the impact on profit after tax as well as the impact of amounts that would be taken directly to equity in respect of the portion of changes in the fair value of derivatives that qualify as cash flow hedges or net investment hedges for hedge accounting.

Notes to the financial statements

for the year ended 31 December 2022

3.3 FINANCIAL RISK MANAGEMENT *CONTINUED*

(b) Liquidity and refinancing risk

Risk	Exposures	Management of exposures
Liquidity risk The risk that the AMP group is not able to meet its obligations as they fall due because of an inability to liquidate assets or obtain adequate funding when required. **Refinancing risk** The risk that the AMP group is not able to refinance the full quantum of its ongoing debt requirements on appropriate terms and pricing.	The AMP group corporate debt portfolio, AMP Bank and AMP Capital through various investment funds, entities or mandates that AMP manages or controls within the AMP group.	Group Treasury maintains a defined surplus of cash to mitigate refinancing risk, satisfy regulatory requirements and protect against liquidity shocks in accordance with the requirements of the AMP Group Liquidity Risk Management Policy. This policy is reviewed and endorsed by the AMP Group ALCO and approved by the AMP Limited Board.

Maturity analysis

Below is a summary of the maturity profiles of AMP's undiscounted financial liabilities and off-balance sheet items at the reporting date, based on contractual undiscounted repayment obligations. Repayments that are subject to notice are treated as if notice were to be given immediately.

2022	Up to 1 year $m	1 to 5 years $m	Over 5 years $m	Not specified $m	Total $m
Non-derivative financial liabilities					
Payables	234	–	–	–	234
Borrowings[1]	23,681	4,292	44	–	28,017
Lease liabilities	68	277	438	–	783
Subordinated debt	51	432	535	–	1,018
Guarantee liabilities	–	–	–	64	64
Derivative financial instruments					
Interest rate and cross-currency swaps	302	251	–	–	553
Off-balance sheet items					
Credit-related commitments – AMP Bank[2]	3,464	–	–	–	3,464
Buyback arrangement commitments	83	–	–	–	83
Investment commitments	–	–	–	81	81
Total undiscounted financial liabilities and off-balance sheet items	27,883	5,252	1,017	145	34,297

1 Borrowings include AMP Bank deposits.
2 Credit-related loan commitments are off-balance sheet as they relate to unexercised commitments to lend to customers of AMP Bank.

3.3 FINANCIAL RISK MANAGEMENT *CONTINUED*

(b) Liquidity and refinancing risk *continued*

2021	Up to 1 year $m	1 to 5 years $m	Over 5 years $m	Not specified $m	Total $m
Non-derivative financial liabilities					
Payables	349	–	–	–	349
Borrowings[1]	20,079	5,129	312	–	25,520
Lease liabilities	33	86	41	–	160
Subordinated debt	89	96	807	–	992
Guarantee liabilities	–	–	–	85	85
Derivative financial instruments					
Interest rate and cross-currency swaps	125	102	29	–	256
Off-balance sheet items					
Credit-related commitments – AMP Bank[2]	3,702	–	–	–	3,702
Lease commitments	37	214	483	–	734
Investment commitments	–	–	–	452	452
Total undiscounted financial liabilities and off-balance sheet items	**24,414**	**5,627**	**1,672**	**537**	**32,250**

1 Borrowings include AMP Bank deposits.
2 Credit-related loan commitments are off-balance sheet as they relate to unexercised commitments to lend to customers of AMP Bank.

(c) Credit risk

Credit risk management is decentralised in business units within AMP, with the exception of credit risk directly and indirectly impacting shareholder capital, which is measured and managed on an aggregate basis by Group Treasury at the AMP group level and reported to Group ALCO.

Risk	Exposures	Management of exposures and use of derivatives
Credit risk Credit default risk is the risk of financial or reputational loss due to a counterparty failing to meet their contractual commitments in full and on time. Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty or where a number of counterparties are engaged in similar business activities that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.	Wholesale credit risk, arising from corporate investments held in relation to the management of liquidity.	Wholesale credit risk exposures arising from corporate investments made in relation to the management of liquidity (and related activities, including hedging financial risks) are managed by Group Treasury in accordance with the AMP Group Wholesale Counterparty Credit Risk Policy. This policy is reviewed and endorsed by the AMP Group ALCO and approved by the AMP Limited Board.
	Credit risk arising from its Australian banking activities which are limited to residential mortgage lending and practice finance loans to AMP advisers.	Wholesale credit risk exposures arising from investments made in relation to the management of liquidity within AMP Bank (and related activities, including hedging financial risks) are managed by Group Treasury in accordance with the AMP Bank Wholesale Counterparty Credit Risk Policy. This policy is reviewed and endorsed by the AMP Bank ALCO and approved by the AMP Bank Limited Board. Specific detail relating to the credit risk management of the AMP Bank loan portfolio is outlined below.

Notes to the financial statements

for the year ended 31 December 2022

3.3 FINANCIAL RISK MANAGEMENT *CONTINUED*

(c) Credit risk *continued*

The AMP Group Wholesale Counterparty Credit Risk Policy sets out the assessment and determination of what constitutes credit concentration risk. The policy sets exposure limits based on each counterparty's credit rating (unless special considerations are defined). Additional limits are set for the distribution of the total portfolio by credit rating bands. Compliance with this policy is monitored and exposures and breaches are reported to portfolio managers, senior management and the AMP Board Risk Committee through periodic financial risk management reports.

Group Treasury also might enter into credit default swaps to hedge the concentration risk exposure against a specific issuer, or aggregated at the parent entity, when material exposures are over the authorised limit.

The exposures on interest-bearing securities and cash equivalents which impact AMP's capital position are managed by Group Treasury within limits set by the AMP Group Wholesale Counterparty Credit Risk Policy.

Impairment assessment

DEFINITION OF DEFAULT

AMP Bank considers a financial asset defaulted and hence Stage 3 impaired when payment is 90 days past due or when there is no longer reasonable assurance that principal or interest will be collected in their entirety on a timely basis.

AMP BANK'S INTERNAL RISK GRADING AND PD ESTIMATION PROCESS

AMP Bank's credit risk management department runs expected credit loss models for the residential mortgage book as well as the practice finance loans. The Bank's residential mortgage book is a portfolio with a low number of defaults. In recent times, the Bank's residential mortgage book has grown significantly, and a larger history of default data has been captured. This has enabled the Bank to successfully develop its internal behavioural scorecards which have been used to replace the benchmark PDs in an endeavour to better risk rank order the portfolio by credit risk worthiness.

Internal risk grades for the residential mortgage book are as follows:

Internal credit rating grade	Internal credit rating grade description
Performing	Not in arrears in the past six months
Past due but not impaired	Accounts in arrears but have not been past 90 days in the last six months
Impaired	90 days past due over the last six months

For practice finance loans a Probability of Default risk grade model is applied that includes weighted risk factors such as Interest Coverage Ratio, revenue growth, licence compliance rating, experience in business and arrears levels. Practices on watch-list are also downgraded. Credit judgement may be applied to arrive at the final risk grade.

Internal risk grades for practice finance book are as follows:

Internal risk grade	Internal risk grade description	Broadly corresponds with Standard & Poor ratings of
A to H	Sub-investment grade	BB+ to CCC
I	Impaired	D

The Bank's interbank and financial institutions exposures as well as exposures to interest-bearing securities are based on external credit rating of the counterparties as follows:

Internal risk grade description	Broadly corresponds with Standard & Poor ratings of
Senior investment grade	AAA to A-
Investment grade	BBB+ to BBB-
Sub-investment grade	BB+ up to but not including defaulted or impaired

EXPOSURE AT DEFAULT (EAD)

EAD is modelled by applying assumptions in relation to the amortisation of the loans based on scheduled principal and interest repayments except for Stage 3 loans.

LOSS GIVEN DEFAULT (LGD)

For the residential mortgage portfolio the key driver for the LGD calculation is the value of the underlying property, as in a foreclosure scenario the proceeds from the sale of a property are secured by the Bank to repay the loan. The value of the underlying residential property is captured via the LVR which factors both changes in loan balance and estimated value of the collateral using market data and indices. Both floor and haircuts are applied to provide for model risk.

3.3 FINANCIAL RISK MANAGEMENT *CONTINUED*

(c) Credit risk *continued*

For practice finance loans, the LGD is calculated via assumptions to the reduction in valuations of practices (being a multiple of their recurring cash flows) in the event of default, such as client run-off or deterioration in valuation due to compliance issues. In addition, haircuts are applied to cater for the volatility observed in the register values in the event of default but also general volatility in valuations over time.

GROUPING OF FINANCIAL ASSETS FOR EXPECTED CREDIT LOSSES (ECL) CALCULATION

Asset classes where the bank calculates ECL on an individual basis include all Stage 3 assets, and interbank and debt securities at FVOCI.

For all other asset classes ECL is calculated on a collective basis, taking into account risk factors for each loan and arriving at the ECL estimate and then aggregating the number for the relevant portfolio.

FORWARD-LOOKING INFORMATION

The Bank's ECL model incorporates a number of forward-looking macroeconomic factors (MEF) that are reviewed on a quarterly basis and approved by the Credit Risk Committee (CRC). The MEF include unemployment, property prices, ASX Index and Cash Rate.

At least three different scenarios with fixed weightings are used in the model. The weightings are reviewed on an annual basis.

The ECL is calculated as the probability weighted average of the provision calculated for each economic scenario.

MANAGEMENT OVERLAY

Management overlay is required to mitigate model risk and any systemic risk that is not recognised by the model.

The management overlays are reviewed on an annual basis or more frequently if required and presented to the CRC and Board Audit Committee (BAC) for sign off.

WRITE-OFFS

Financial assets are written off either partially or in their entirety only when there is no reasonable expectation of recovery. Recovery actions can cease if they are determined as being no longer cost effective or in some situations, where the customers have filed for bankruptcy.

CREDIT RISK OF THE LOAN PORTFOLIO IN AMP BANK (THE BANK)

The Bank is predominantly a lender for residential properties – both owner occupied and for investment. In every case the Bank completes a credit assessment, which includes cost of living allowance and requires valuation of the proposed security property.

The Bank's CRC and Board Risk Committee (BRC) oversee trends in lending exposures and compliance with the Risk Appetite Statement. The Bank secures its housing loans with mortgages over relevant properties and as a result, manages credit risk on its loans with conservative lending policies and particular focus on the LVR. The LVR is calculated by dividing the total loan amount outstanding by the lower of the Bank's approved valuation amount or the purchase price. Loans with LVR greater than 80% are fully mortgage insured. Mortgage insurance is provided by Genworth Mortgage Insurance Australia Ltd and QBE Lenders Mortgage Insurance Ltd who are both regulated by APRA. The Bank has strong relationships with both insurers and experienced minimal levels of historic claim rejections and reductions.

The average LVR at origination of AMP Bank's loan portfolio for existing and new business is set out in the following table:

LVR %	Existing business 2022 %	New business 2022 %	Existing business 2021 %	New business 2021 %
0 – 50	**18**	**14**	17	8
51 – 60	**13**	**11**	12	8
61 – 70	**20**	**15**	19	15
71 – 80	**37**	**49**	36	51
81 – 90	**10**	**8**	13	12
91 – 95	**1**	**3**	2	6
> 95	**1**	**–**	1	–

RENEGOTIATED LOANS

Where possible, the Bank seeks to restructure loans for borrowers seeking hardship relief rather than take possession of collateral. This may involve capitalising interest repayments for a period and increasing the repayment arrangement for the remaining term of the loan. Once the terms has been renegotiated, the loan is no longer considered past due or an impaired asset unless it was greater than 90 days in arrears in the previous six months or a specific provision has been raised for the loan. The Bank assisted customers by renegotiating $81m (2021: $239m) of loans during the year, of which none (2021: $150m) relates to hardship granted due to COVID-19, that otherwise would be past due or impaired.

Notes to the financial statements

for the year ended 31 December 2022

3.3 FINANCIAL RISK MANAGEMENT *CONTINUED*

(c) Credit risk *continued*

COLLATERAL AND MASTER NETTING OR SIMILAR AGREEMENTS

The AMP group obtains collateral and utilises netting agreements to mitigate credit risk exposures from certain counterparties.

(i) Derivative financial assets and liabilities

The credit risk of derivatives is managed in the context of the AMP group's overall credit risk policies and includes the use of Credit Support Annexes to derivative agreements which facilitate the bilateral posting of collateral as well as the clearing of derivative positions on the London Clearing House.

Certain derivative assets and liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

An ISDA agreement does not automatically meet the criteria for offsetting in the Consolidated statement of financial position. This is because the AMP group, in most cases, does not have any current legally enforceable right to offset recognised amounts.

If these netting arrangements were applied to the derivative portfolio, the derivative assets of $552m would be reduced by $87m to the net amount of $465m and derivative liabilities of $128m would be reduced by $87m to the net amount of $41m (2021: derivative assets of $334m would be reduced by $143m to the net amount of $191m and derivative liabilities of $185m would be reduced by $143m to the net amount of $42m).

(ii) Other collateral

The AMP group has collateral arrangements in place with some counterparties in addition to collateral deposits held with respect to repurchase agreements. The amount and type of collateral required by AMP Bank on housing loans depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

AMP Bank holds collateral against its loans and advances primarily in the form of mortgage interests over property, other registered securities over assets and guarantees.

Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement. In the event of customer default, AMP Bank can enforce any security held as collateral against the outstanding claim. Any loan security is usually held as mortgagee in possession while AMP Bank seeks to realise its value through the sale of property. Therefore, AMP Bank does not hold any real estate or other assets acquired through the repossession of collateral.

Collateral generally consists of 11am loans and deposits and is exchanged between the counterparties to reduce the exposure from the net fair value of derivative assets and liabilities between the counterparties. As at 31 December 2022 there was $133m (2021: $108m) of collateral deposits (due to other counterparties) and $108m (2021: $47m) of collateral loans (due from other counterparties) relating to derivative assets and liabilities.

3.4 DERIVATIVES AND HEDGE ACCOUNTING

The group is exposed to certain risks relating to its ongoing business operations. To mitigate the risks the group uses derivative financial instruments, such as cross-currency swaps and interest rate swaps. When the group designates certain derivatives to be part of a hedging relationship, and they meet the criteria for hedge accounting, the hedges are classified as:

- cash flow hedges;
- fair value hedges; or
- net investment hedges.

Derivative financial instruments are held for risk and asset management purposes only and not for the purpose of speculation. Not all derivatives held are designated as hedging instruments. The group's risk management strategy and how it is applied to manage risk is explained further in note 3.3.

(a) Hedging instruments

The following table sets out the notional amount of derivative instruments designated in a hedge relationship by relationship type as well as the related carrying amounts.

2022		Notional amount $m	Fair value assets $m	Fair value liabilities $m
Hedge type	**Hedging instrument**			
Cash flow	Interest rate swaps	**18,050**	**337**	**–**
Fair value	Cross-currency swaps	**–**	**–**	**–**
Fair value	Interest rate swaps	**–**	**–**	**–**
Fair value and cash flow	Cross-currency interest rate swaps	**553**	**31**	**–**
Net investment	Foreign currency forward contract	**634**	**3**	**6**
Total		**19,237**	**371**	**6**

2021		Notional amount $m	Fair value assets $m	Fair value liabilities $m
Hedge type	**Hedging instrument**			
Cash flow	Interest rate swaps	13,123	25	–
Fair value	Cross-currency swaps	78	–	16
Fair value	Interest rate swaps	62	–	1
Fair value and cash flow	Cross-currency interest rate swaps	828	36	–
Net investment	Foreign currency forward contract	405	–	1
Total		14,496	61	18

Notes to the financial statements

for the year ended 31 December 2022

3.4 DERIVATIVES AND HEDGE ACCOUNTING *CONTINUED*

(b) Hedged items

The following table sets out the carrying amount of hedged items in fair value hedge relationships, and the accumulated amount of fair value hedge adjustments in these carrying amounts. The group does not always hedge its entire exposure to a class of financial instruments, therefore the carrying amounts below do not always equal the total carrying amounts disclosed in other notes.

	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
2022	**Assets $m**	**Liabilities $m**	**Assets $m**	**Liabilities $m**
6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	**–**	**–**	**–**	**–**
Medium Term Notes	**–**	**584**	**–**	**31**

	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
2021	**Assets $m**	**Liabilities $m**	**Assets $m**	**Liabilities $m**
6.875% GBP Subordinated Guaranteed Bonds (maturity 2022)	–	60	17	–
Medium Term Notes	–	787	–	34

Fair value hedge relationships resulted in the following changes in the values used to recognise hedge ineffectiveness for the year:

	2022 $m	**2021 $m**
Gain on hedging instrument	**11**	53
Loss on hedged items attributable to the hedged risk	**(14)**	(48)
(Loss)/Gain after ineffectiveness	**(3)**	5

Derivative instruments accounted for as cash flow hedges

The group is exposed to variability in future interest cash flows on non-trading assets and liabilities which bear interest at fixed and variable rates. The group uses interest rate swaps to manage interest rate risks and many of the swaps are cash flow hedges for accounting purposes.

Methods used to test hedge effectiveness and establish the hedge ratio include regression analysis and for some portfolio hedge relationships, a comparison to ensure the expected interest cash flows from the portfolio exceed those of the hedging instruments. The main potential source of hedge ineffectiveness from cash flow hedges is mismatches in the terms of hedged items and hedging instruments, for example the frequency and timing of when interest rates are reset.

During the year the AMP group recognised $nil (2021: $nil) due to ineffectiveness on derivative instruments designated as cash flow hedges.

Derivative instruments accounted for as fair value hedges

Fair value hedges are used to protect against changes in the fair value of financial assets and financial liabilities due to movements in exchange rates and interest rates.

Hedge effectiveness is assessed by comparing the overall changes in the fair value of the hedging instrument against the changes in the fair value of the hedged items attributable to the hedged risks. The main potential source of ineffectiveness on fair value hedges is currency basis spread, which is included in the valuation of the hedging instrument but excluded from the value of the hedged item.

Hedges of net investments in foreign operations

The group hedges its exposure to changes in exchange rates on the value of its foreign currency denominated strategic investments. Hedge effectiveness is assessed based on the overall changes in the fair value of the forward contract, primarily using the cumulative dollar offset method.

The AMP group recognised $nil (2021: $nil) due to the ineffective portion of hedges relating to strategic investments in foreign operations.

The following table sets out the maturity profile of derivative instruments in a hedge relationship.

3.4 DERIVATIVES AND HEDGE ACCOUNTING *CONTINUED*

2022	0 to 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
Interest rate swaps	**1,547**	**8,141**	**6,455**	**1,907**	**18,050**
Cross-currency swaps	**–**	**–**	**–**	**–**	**–**
Cross-currency interest rate swaps	**–**	**302**	**251**	**–**	**553**
Foreign currency forward contract	**256**	**378**	**–**	**–**	**634**

2021	0 to 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
Interest rate swaps	1,096	4,010	7,474	605	13,185
Cross-currency swaps	–	78	–	–	78
Cross-currency interest rate swaps	–	218	610	–	828
Foreign currency forward contract	405	–	–	–	405

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value exclusive of any transaction costs on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. All derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from the change in fair value of derivatives, except those that qualify as effective cash flow hedges, are immediately recognised in the Consolidated income statement.

Hedge accounting

AMP continues to apply the hedge accounting requirements under AASB 139 *Financial instruments: Recognition and Measurement*.

Cash flow hedges

The effective portion of changes in the fair value of cash flow hedges is recognised (including related tax impacts) in Other comprehensive income. The ineffective portion is recognised immediately in the Consolidated income statement. The balance of the cash flow hedge reserve in relation to each particular hedge is transferred to the Consolidated income statement in the period when the hedged item affects profit or loss. Hedge accounting is discontinued when a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated income statement.

Fair value hedges

Changes in the fair value of fair value hedges are recognised in the Consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If a hedge no longer meets the criteria for hedge accounting, the cumulative gains and losses recognised on the hedged item will be amortised over the remaining life of the hedged item.

Net investment hedges

The effective portion of changes in the fair value of net investment hedges is recognised (including related tax impacts) in Other comprehensive income. Any ineffective portion is recognised immediately in the Consolidated income statement. The cumulative gain or loss existing in equity remains in equity until the foreign investment is disposed of.

Notes to the financial statements

for the year ended 31 December 2022

3.5 CAPITAL MANAGEMENT

AMP holds capital to protect customers, creditors and shareholders against unexpected losses. There are a number of ways AMP assesses the adequacy of its capital position. Primarily, AMP aims to:

- maintain a sufficient surplus above minimum regulatory capital requirements (MRR) to reduce the risk of breaching MRR; and
- maintain the AMP group's credit rating.

These factors are balanced when forming AMP's risk appetite as approved by the AMP Limited Board.

Calculation of capital resources

The AMP group's eligible capital resources include ordinary equity and certain hybrid capital instruments. Adjustments to these amounts are made for intangibles, associate equity investments and other assets required to be removed by regulation.

The table below shows the AMP group's capital resources at reporting date:

	2022 $m	2021 $m
AMP statutory equity attributable to shareholders of AMP Limited	**4,171**	3,980
Accounting mismatch and other adjustments [1]	**(94)**	(106)
AMP shareholder equity	**4,077**	3,874
Goodwill and other intangibles [2]	**(289)**	(344)
Equity investments [3]	**(1,012)**	(1,607)
Other regulatory adjustments [4]	**(138)**	(6)
Subordinated bonds eligible as Level 3 capital	**–**	16
Level 3 eligible capital	**2,638**	1,933
Eligible hybrid capital resources [5]	**350**	579
Total eligible capital resources	**2,988**	2,512
Minimum regulatory requirements (MRR)	**1,366**	1,316
Target capital requirements	**699**	813
Total capital requirements	**2,065**	2,129
Surplus capital above target requirements	**923**	383

1 Accounting mismatches and other adjustments primarily relate to the net assets of the AMP Foundation and surpluses recognised on any defined benefit plans.
2 Includes $91m of intangibles classified as Assets held for sale on the Consolidated statement of financial position (2021: $14m).
3 Equity investments relate to holdings of associate equity investment where AMP holds a minority interest. As at 31 December 2022, Global Infrastructure Fund Sponsor ($76m), Global Infrastructure Fund II ($122m), AMP Capital Core Property Fund ($30m) and other equity investments ($14m) are classified as assets held for sale (2021: Resolution Life NOHC ($509m) and AMP Capital Infrastructure Debt Fund V USD LP ($8m)).
4 Other regulatory adjustments relate to securitisation, deferred tax assets and other provisions for AMP Bank, deferred tax assets for Australian Wealth Management and include an adjustment for eligible seed and sponsor investment classified as equity investments in AMP Capital.
5 Eligible hybrid capital instruments are subordinated debt which is able to be included as eligible capital for the purpose of meeting minimum regulatory requirements.

3.5 CAPITAL MANAGEMENT *CONTINUED*

Capital requirements

A number of the operating entities within the AMP group of companies are regulated and are required to meet MRR. In certain circumstances, APRA or other regulators may require AMP and other entities of the AMP group to hold a greater level of capital to support its business and/or restrict the amount of dividends that can be paid by them. Any such adjustments would be incorporated into the minimum regulatory requirements and monitored as part of the capital management policy.

The principal minimum regulatory capital requirements for AMP's businesses are:

Operating entity	Minimum regulatory capital requirement
AMP Bank Limited (AMP Bank)	Capital requirements as specified under the APRA ADI Prudential Standards
N. M. Superannuation Proprietary Limited	Operational Risk Financial Requirements as specified under the APRA Superannuation Prudential Standards
Other ASIC regulated businesses	Capital requirements under AFSL requirements

The AMP group maintains capital targets reflecting their material risks (including financial risk, product risk and operational risk) and AMP's risk appetite. The target capital requirement is a management guide to the level of excess capital that the AMP group seeks to carry to reduce the risk of breaching MRR.

AMP Limited and AMP Bank have Board-approved minimum capital levels above APRA requirements, with additional capital targets held above these amounts. Capital targets are also set for AMP Capital to cover risk associated with seed and sponsor capital investments and operational risk. Other components of AMP group's capital targets include amounts relating to Group Office investments, defined benefit funds and other operational risks.

All of the AMP group regulated entities have at all times during the current and prior financial year complied with the externally imposed capital requirements to which they are subject.

Notes to the financial statements

for the year ended 31 December 2022

4
SECTION

EMPLOYEE DISCLOSURES

This section provides details on the various programs the AMP group uses to reward and recognise employees, including key management personnel.

4.1 DEFINED BENEFIT PLANS

AMP contributes to defined benefit plans which provide benefits to employees, and their dependants, on resignation, retirement, disability or death of the employee. The benefits are based on years of service and an average salary calculation. All defined benefit plans are now closed to new members.

The characteristics and risks associated with each of the defined benefit plans are described below:

Plan details	Australia	New Zealand
Plan names	AMP Australia Plan I and AMP Australia Plan II.	AMP New Zealand Plan I and AMP New Zealand Plan II.
Entitlements of active members	A lump sum or pension on retirement. Pensions provided are lifetime indexed pensions with a reversionary spouse pension.	Accumulation benefits and a lump sum payment on retirement.
Governance of the plans	The plans' trustees – this includes administration of the plan, management and investment of the plan assets, and compliance with superannuation laws and other applicable regulations.	The plans' trustees – this includes administration of the plan, management and investment of the plan assets, and looking after the interests of all beneficiaries.
Valuations required	Every year.	Every three years.
Key risks	The risk of actual outcomes being different to the actuarial assumptions used to estimate the defined benefit obligation, investment risk and legislative risk.	
Date of valuation	31 March 2022.	31 December 2020.
Additional recommended contributions	10% to 15% of members' salaries plus plan expenses.	No additional contributions are required until 31 December 2023, at which point the requirement will be reassessed.

4.1 DEFINED BENEFIT PLANS *CONTINUED*

(a) Defined benefit asset

	2022 $m	2021 $m
Present value of wholly-funded defined benefit obligations	**(645)**	(782)
Less: Fair value of plan assets	**657**	785
Defined benefit asset recognised in the Consolidated statement of financial position	**12**	3
Movement in defined benefit asset		
Surplus/(deficit) at the beginning of the year	**3**	(98)
Plus: Total expenses recognised in the Consolidated income statement	**(1)**	(2)
Plus: Employer contributions	**10**	1
Plus: Foreign currency exchange rate changes	**1**	1
Plus: Actuarial (losses)/gains recognised in Other comprehensive income[1]	**(1)**	101
Defined benefit asset recognised at the end of the year	**12**	3

1 The cumulative net actuarial gains and losses recognised in the Statement of comprehensive income is a $198m gain (2021: $199m gain).

(b) Reconciliation of the movement in the defined benefit asset

	Defined benefit obligation		Fair value of plan assets	
	2022 $m	2021 $m	2022 $m	2021 $m
Balance at the beginning of the year	**(782)**	(882)	**785**	784
Current service cost	**(1)**	(2)	**–**	–
Interest (cost)/income	**(5)**	(2)	**5**	2
Net actuarial gains/(losses)	**89**	62	**(90)**	39
Employer contributions	**–**	–	**10**	1
Foreign currency exchange rate changes	**3**	(2)	**(2)**	3
Benefits paid	**51**	44	**(51)**	(44)
Balance at the end of the year	**(645)**	(782)	**657**	785

Notes to the financial statements

for the year ended 31 December 2022

4.1 DEFINED BENEFIT PLANS *CONTINUED*

(c) Analysis of defined benefit surplus/(deficit) by plan

	Fair value of plan assets		Present value of plan obligation		Net recognised surplus/(deficit)		Actuarial gains/(losses)	
	2022 $m	2021 $m	2022 $m	2021 $m	2022 $m	2021 $m	2022 $m	2021 $m
AMP Australia Plan I	**240**	283	**(248)**	(296)	**(8)**	(13)	**–**	40
AMP Australia Plan II	**331**	397	**(294)**	(356)	**37**	41	**(7)**	27
AMP New Zealand Plan I	**13**	17	**(16)**	(20)	**(3)**	(3)	**–**	4
AMP New Zealand Plan II	**73**	88	**(87)**	(110)	**(14)**	(22)	**6**	30
Total	**657**	785	**(645)**	(782)	**12**	3	**(1)**	101

(d) Principal actuarial assumptions

The following table sets out the principal actuarial assumptions used as at the reporting date in measuring the defined benefit obligations of the Australian and New Zealand defined benefit funds:

	AMP Plan I				AMP Plan II			
	Australia		New Zealand		Australia		New Zealand	
	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Weighted average discount rate	**5.7**	3.0	**4.6**	2.7	**5.8**	3.3	**4.6**	2.7
Expected rate of salary increases	**n/a**	n/a	**n/a**	n/a	**2.8**	2.8	**3.0**	3.0

(e) Allocation of assets

The asset allocations of the defined benefit funds are shown in the following table:

	AMP Plan I				AMP Plan II			
	Australia		New Zealand		Australia		New Zealand	
	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Equity	**43**	42	**47**	52	**19**	18	**47**	52
Fixed interest	**37**	38	**38**	37	**51**	54	**38**	37
Property	**9**	9	**–**	–	**7**	6	**–**	–
Cash	**4**	4	**15**	11	**9**	9	**15**	11
Other	**7**	7	**–**	–	**14**	13	**–**	–

4.1 DEFINED BENEFIT PLANS *CONTINUED*

(f) Sensitivity analysis

The defined benefit obligation has been recalculated for each scenario by changing only the specified assumption as outlined below, whilst retaining all other assumptions as per the base case. The table below shows the increase (decrease) for each assumption change. Where an assumption is not material to the fund it has been marked as n/a.

2022	**AMP Plan I**				**AMP Plan II**			
	Australia		**New Zealand**		**Australia**		**New Zealand**	
Assumption	**(+) $m**	**(-) $m**	**(+) $m**	**(-) $m**	**(+) $m**	**(-) $m**	**(+) $m**	**(-) $m**
Discount rate (+/- 0.5%) [1]	**(11)**	**12**	**n/a**	**1**	**(14)**	**15**	**n/a**	**9**
Expected salary increase rate (0.5%)	**n/a**	**n/a**	**n/a**	**n/a**	**–**	**n/a**	**n/a**	**n/a**
Expected deferred benefit crediting rate (0.5%)	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Pensioner indexation assumption (0.5%) [2]	**12**	**(11)**	**1**	**n/a**	**14**	**(13)**	**8**	**n/a**
Pensioner mortality assumption (10%)	**n/a**	**8**	**n/a**	**n/a**	**n/a**	**6**	**n/a**	**n/a**
Life expectancy (additional 1 year)	**n/a**	**n/a**	**1**	**n/a**	**n/a**	**n/a**	**2**	**n/a**

2021	**AMP Plan I**				**AMP Plan II**			
	Australia		**New Zealand**		**Australia**		**New Zealand**	
Assumption	**(+) $m**	**(-) $m**	**(+) $m**	**(-) $m**	**(+) $m**	**(-) $m**	**(+) $m**	**(-) $m**
Discount rate (+/- 0.5%) [1]	(15)	16	n/a	2	(19)	21	n/a	13
Expected salary increase rate (0.5%)	n/a	n/a	n/a	n/a	–	n/a	n/a	n/a
Expected deferred benefit crediting rate (0.5%)	n/a	n/a	n/a	n/a	–	n/a	n/a	n/a
Pensioner indexation assumption (0.5%) [2]	16	(15)	1	n/a	19	(17)	11	n/a
Pensioner mortality assumption (10%)	n/a	11	n/a	n/a	n/a	8	n/a	n/a
Life expectancy (additional 1 year)	n/a	n/a	1	n/a	n/a	n/a	4	n/a

1 (1%) discount rate applied to AMP New Zealand Plan I and II.
2 1% indexation increase applied to AMP New Zealand Plan I and II.

Notes to the financial statements

for the year ended 31 December 2022

4.1 DEFINED BENEFIT PLANS *CONTINUED*

(g) Expected contributions and maturity profile of the defined benefit obligation

	AMP Plan I		AMP Plan II	
	Australia	New Zealand	Australia	New Zealand
	$m	$m	$m	$m
Expected employer contributions	6	–	2	–
Weighted average duration of the defined benefit obligation (years)	8	7	10	10

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Defined benefit plans

The AMP group recognises the net deficit or surplus position of each fund in the Consolidated statement of financial position. The deficit or surplus is measured as the difference between the fair value of the funds' assets and the discounted defined benefit obligations of the funds, using discount rates determined with reference to market yields on high quality corporate bonds at the end of the reporting period.

After taking into account any contributions paid into the defined benefit funds during the period, movements in the net surplus or deficit of each fund, except actuarial gains and losses, are recognised in the Consolidated income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions over the period and the returns on plan assets are recognised (net of tax) directly in retained earnings through Other comprehensive income.

Contributions paid into defined benefit funds are recognised as reductions in the deficit.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Defined benefit asset

The value of the group's defined benefit obligations are outputs of actuarial models dependent on a number of underlying assumptions. Management applies judgement in selecting the assumptions used. Key assumptions include:

- discount rate;
- expected future salary increases;
- pension indexation;
- mortality; and
- life expectancy.

4.2 SHARE-BASED PAYMENTS

AMP has multiple employee share-based payment plans. Share-based payment plans help create alignment between employees participating in those plans (participants) and shareholders. Information on plans which AMP currently offers is provided below.

The following table shows the expense recorded for AMP share-based payment plans during the year:

	2022 $'000	2021 $'000
Plans currently offered		
Performance rights[1]	**6,457**	7,854
Share rights and restricted shares - equity settled	**4,259**	9,143
Share rights – cash settled	**680**	2,759
Total share-based payments expense	**11,396**	19,756

1 Non-market performance rights which were forfeited or where performance conditions were not met were reversed during the year.

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Equity-settled share-based payments

The cost of equity-settled share-based payments is measured using their fair value at the date on which they are granted. The fair value calculation takes into consideration a number of factors, including the likelihood of achieving market-based vesting conditions such as total shareholder return (market conditions).

The cost of equity-settled share-based payments is recognised in the Consolidated income statement, together with a corresponding increase in the share-based payment reserve (SBP reserve) in equity, over the vesting period of the instrument. At each reporting date, the AMP group reviews its estimates of the number of instruments that are expected to vest and any changes to the cost are recognised in the Consolidated income statement and the SBP reserve, over the remaining vesting period.

Where the terms of an equity-settled share-based payment are modified and the expense increases as a result of the modification, the increase is recognised over the remaining vesting period. When a modification reduces the expense, there is no adjustment, and the pre-modification cost continues to be recognised.

Where an equity-settled award does not ultimately vest, expenses are not reversed; except for awards where vesting is conditional upon a non-market condition, in which case all expenses are reversed in the period in which the instrument lapses.

Cash-settled share-based payments

Cash-settled share-based payments are recognised when the terms of the arrangement provide AMP group with the discretion to settle in cash or by issuing equity instruments and it has a present obligation to settle the arrangement in cash. A present obligation may occur where the past practice has set a precedence for future settlements in cash.

Cash-settled share-based payments are recognised, over the vesting period of the award, in the Consolidated income statement, together with a corresponding liability. The fair value is measured on initial recognition and re-measured at each reporting date up to and including the settlement date, with any changes in fair value recognised in the Consolidated income statement. Similar to equity-settled awards, number of instruments expected to vest are reviewed at each reporting date and any changes are recognised in the Consolidated income statement and corresponding liability. The fair value is determined using appropriate valuation techniques.

Notes to the financial statements

for the year ended 31 December 2022

4.2 SHARE-BASED PAYMENTS *CONTINUED*

(a) Performance rights

The Chief Executive Officer (CEO) and Executive Committee members receive their long-term incentive (LTI) award in the form of performance rights. This is intended to ensure the interests of those executives, who are able to most directly influence company performance, are appropriately aligned with the interests of shareholders.

Plan	Long-term Incentive Awards	CEO Sign-on Performance Rights Award
Overview	Performance rights give the participant the right to acquire one fully paid ordinary share in AMP Limited upon meeting specific performance hurdles. They are granted at no cost to the participant and carry no dividend or voting rights until they vest. This award may be settled through an equivalent cash payment, at the discretion of the board.	As part of the CEO's incentive package, performance rights were awarded on appointment. The performance rights give the CEO the right to acquire one fully paid ordinary share in AMP Limited (per right) upon meeting specific performance conditions, including hurdles that are subject to an absolute and relative Total Shareholder Return (TSR) measure. The award was granted at no cost to the CEO and carries no dividend or voting rights. This award may be settled through an equivalent cash payment, at the discretion of the board.
Years granted	2019, 2021 and 2022.	2021.
Vesting conditions/period	The vesting of performance rights is subject to the following gateways: 1. Risk and Conduct Gateway – if a participant's performance and conduct is not in line with AMP's expectations, the board has discretion to amend the vesting outcome. 2. Performance Gateway and Hurdle – The number of rights that vest under the award will be determined based on the Compound Annual Growth Rate (CAGR) or CAGR in the Company's TSR relative to CAGR in TSR to the peer group of ASX100 financial companies (excluding A-REITs). The vesting period is typically between three and three-and-a-half years. A one year restriction period (holding lock) applies for LTI awards granted in 2021 and 2022.	The vesting of the CEO's sign-on performance rights is subject to the following gateways: 1. Absolute TSR – measures the CAGR in the Company's TSR over the relevant Performance Period. 2. Relative TSR – measures the Company's TSR performance relative to a peer group over the relevant Performance Period. The comparator group for the relative TSR performance hurdle will be an adjusted ASX100 Financials index. Each component was awarded in three tranches, of which one has already vested. The board will test the performance hurdles for the remaining two tranches on or around the 22 November 2023 and 22 November 2024, respectively. If the performance hurdles are met, the rights vest and become exercisable.
Unvested awards	If a participant is terminated for cause or gives notice of resignation before the vesting date, all unvested rights will lapse or be forfeited, unless the Board determines otherwise. If a participant's employment ends for any other reason, the unvested awards will remain on foot. For the 2019 and 2022 LTI awards, a pro rata portion of rights are retained. All unreleased restricted shares allocated to the participant on vesting will remain on foot until the end of the restriction period, unless the participant is terminated for cause, in which case the awards are forfeited.	Unvested awards are forfeited if the CEO voluntarily ceases employment or is dismissed for misconduct.

4.2 SHARE-BASED PAYMENTS *CONTINUED*

(a) Performance rights *continued*

Valuation of performance rights

The values for performance rights are based on valuations prepared by an independent external consultant. The valuations are based on the 10-day volume weighted average share price over the 10-day trading period prior to the start of the award's valuation period. Assumptions regarding the dividend yield and volatility have been estimated based on AMP's dividend yield and volatility over an appropriate period.

In determining the share-based payments expense, the number of instruments expected to vest has been adjusted to reflect the number of employees expected to remain with AMP until the end of the performance period; this is revisited each reporting date. The following table shows the factors and range considered in determining the value of the performance rights granted during the last two years.

PERFORMANCE RIGHTS

	2022	2021
Closing share price on grant date	**$1.01**	$1.075–$1.65
Contractual life (years)	**4.1**	0.3–4.0
Dividend yield (per annum)	**0% – 5%**	0%–5%
Expected volatility of share price	**39%**	42%–44%
Risk-free interest rate (per annum)	**0.1%**	0.1%–0.8%
TSR performance hurdle discount	**42%**	41%–51%
TSR performance rights and share rights fair value	**$0.59**	$0.55–$0.81
Fair value of performance rights (weighted average)	**$0.59**	$0.68
Expected time to vesting (years)	**3.1**	1.9-3.0

PERFORMANCE RIGHTS MOVEMENTS

Number of performance rights	2022	2021
Opening balance as at 1 January	**29,754,528**	32,237,828
Granted during the year	**7,592,943**	5,608,588
Exercised during the year	**–**	(638,168)
Lapsed during the year	**(4,937,153)**	(7,453,720)
Closing balance as at 31 December	**32,410,318**	29,754,528

Notes to the financial statements

for the year ended 31 December 2022

4.2 SHARE-BASED PAYMENTS *CONTINUED*

(b) Share rights

The Chief Executive Officer (CEO), Executive Committee members, and certain executives and employees are provided share rights as a part of their remuneration arrangements. These arrangements are summarised as follows:

	Share rights			
	Long-term Incentive Plan	**Short-term Incentive Plan**	**Salary Sacrifice Plan**	**CEO Sign-on Share Rights Award**
Overview	Share rights give the participant the right to acquire one fully paid ordinary share in AMP Limited after a specified service period. They are granted at no cost to the participant and carry no dividend or voting rights until they vest. All awards are subject to ongoing employment, compliance with AMP policies and the board's discretion. In 2021, AMP offered the opportunity to salary sacrifice between $1,000–$5,000 over a 12-month period to acquire shares in AMP which includes a matching contribution on a 2:5 basis.			The sign-on share rights give the CEO the right to acquire one fully paid ordinary share in AMP Limited (per right) after a specified service period. They were granted at no cost to the CEO and carry no dividend or voting rights until they vest. This award may be settled through an equivalent cash payment at the discretion of the board.
Vesting conditions/ period	LTI awards are subject to continued service periods of three to four years and typically carry voting and dividend rights equivalent to ordinary shares. Awards granted under the Deferred Bonus Equity Plan are split into two tranches with continued service conditions of two and three years respectively.	The Short-term Incentive (STI) awards typically have 40% to 60% of the award deferred in equity. The vesting period is between one to four years of continued service.	Shares granted under the share matching component of the salary sacrifice plan are subject to continued service for two years from grant date.	The first and second tranches, representing 82% of the award, were vested and released to the CEO. The remaining rights may vest in accordance with the schedule below: – 14% on 22 November 2023 – 4% on 22 November 2024
Unvested awards	Unvested awards are forfeited if the participant voluntarily ceases employment or is dismissed for misconduct.			

4.2 SHARE-BASED PAYMENTS *CONTINUED*

(b) Share rights *continued*

Valuation of share rights

The fair value of share rights has been calculated as at the grant date by external consultants using a discounted cash flow methodology. If relevant to the award, fair value has been discounted for the present value of dividends expected to be paid during the vesting period to which the participant is not entitled. For the purposes of the valuation, it is assumed share rights are exercised as soon as they have vested. Assumptions regarding the dividend yield have been estimated based on AMP's dividend yield over an appropriate period.

In determining the share-based payments expense, the number of instruments expected to vest has been adjusted to reflect the number of employees expected to remain with AMP until the end of the performance period. The following table shows the factors and range considered in determining the independent fair value of the share rights granted during the last two years:

SHARE RIGHTS

	2022	2021
Closing share price on grant date	**$0.96**	$1.07–$1.35
Contractual life (years)	**0.9–3.9**	0.3–4.0
Dividend yield (per annum)	**0%– 5%**	0%–5%
Dividend discount	**0%–13%**	0%–13%
Fair value of performance rights (weighted average)	**$0.88**	$1.10
Expected time to vesting (years)	**0.0 – 3.1**	0.9 – 3.25

SHARE RIGHTS MOVEMENTS

Number of share rights	2022	2021
Opening balance as at 1 January	**15,003,196**	16,247,076
Granted during the year	**7,243,680**	5,511,901
Exercised during the year	**(3,296,779)**	(5,829,217)
Lapsed during the year	**(1,223,618)**	(926,564)
Closing balance as at 31 December	**17,726,479**	15,003,196

Notes to the financial statements

for the year ended 31 December 2022

5
SECTION

GROUP ENTITIES

This section explains significant aspects of the AMP group structure, including significant investments in controlled operating entities, and investments in associates. It also provides information on business acquisitions and disposals made during the year.

5.1 CONTROLLED ENTITIES

Significant investments in controlled operating entities are as follows:

Operating entities Name of entity	Country of registration	Share type	% holdings 2022	 2021
AMP Advice Holdings Pty Ltd	Australia	Ord	**100**	100
AMP Bank Limited	Australia	Ord	**100**	100
AMP Capital Funds Management Limited	Australia	Ord	**100**	100
Collimate Capital Limited	Australia	Ord	**100**	100
AMP Capital Investors (New Zealand) Limited	New Zealand	Ord	**100**	100
AMP Capital Investors Limited	Australia	Ord	**100**	100
AMP Capital Office and Industrial Pty Limited	Australia	Ord	**100**	100
AMP Capital Shopping Centres Pty Limited	Australia	Ord	**100**	100
AMP Financial Planning Pty Limited	Australia	Ord	**100**	100
AMP Group Finance Services Limited	Australia	Ord	**100**	100
AMP Group Holdings Limited	Australia	Ord A	**100**	100
AMP Services (NZ) Limited	New Zealand	Ord	**100**	100
AMP Services Limited	Australia	Ord A	**100**	100
AWM Services Pty Ltd	Australia	Ord	**100**	100
ipac Asset Management Limited	Australia	Ord	**100**	100
AMP Wealth Management New Zealand Limited	New Zealand	Ord	**100**	100
Hillross Financial Services Limited	Australia	Ord	**100**	100
Ipac Group Services Pty Ltd	Australia	Ord	**100**	100
National Mutual Funds Management Ltd	Australia	Ord	**100**	100
N.M. Superannuation Pty Ltd	Australia	Ord	**100**	100
NMMT Limited	Australia	Ord	**100**	100

5.2 DISCONTINUED OPERATIONS

(a) Sale of AMP Capital

AMP has announced a series of sales transactions which will result in AMP's divestment of its AMP Capital businesses. AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (AASB 5) requires the income, expenses and cash flows of these businesses to be separately disclosed as discontinued operations. For the year ended 31 December 2022, discontinued operations represents the income, expenses and cash flows of:

- AMP Capital's infrastructure debt platform from 1 January 2022 to 11 February 2022;
- AMP Capital's GEFI business from 1 January 2022 to 28 March 2022;
- AMP Capital's real estate and domestic infrastructure equity business through to 31 December 2022; and
- AMP Capital's international infrastructure equity business through to 31 December 2022.

In accordance with AASB 5, the comparative period results have been restated.

The residual assets of AMP Capital, principally its investments in CLAMP, PCCP and related seed and sponsor investments will remain a part of the AMP group. Accordingly, the related income, expenses and cash flows of these investments are included within continuing operations.

(b) Profit or loss for the period from discontinued operations

The results of AMP Capital's discontinued businesses included within AMP group's Consolidated income statement are set out below, including comparative information.

Following the sale of AMP Capital, certain service arrangements will continue between AMP and those businesses. Where relevant, revenue and expenses attributable to continuing operations from such arrangements have been presented within continuing operations to reflect the ongoing nature of such arrangements. The result of the discontinued operations presented below have been adjusted for these arrangements.

	2022 $m	2021 $m
Total revenue of discontinued operations	**422**	829
Total expense of discontinued operations	**(423)**	(808)
(Loss)/Profit before tax from discontinued operations	**(1)**	21
Income tax (expense)/credit	**(11)**	6
(Loss)/Profit for the period from discontinued operations before disposals	**(12)**	27
Gain on disposal of businesses sold	**413**	–
Income tax expense resulting from the gain on disposal of businesses sold[1]	**(10)**	–
Gain on disposal of businesses sold after tax	**403**	–
Profit for the period from discontinued operations	**391**	27
Other comprehensive (loss)/profit for the period from discontinued operations	**(12)**	27
Total comprehensive income for the period	**379**	54

1 Income tax expense is net of the utilisation of previously unrecognised capital losses.

(c) Cash flows from/(used in) discontinued operations

The cash flows from/(used in) discontinued operations for the period, included within the Consolidated statement of cash flows, are set out below, including comparative information.

	2022 $m	2021 $m
Net cash (used in)/from operating activities	**(82)**	79
Net cash from/(used in) investing activities	**488**	(75)
Net cash inflows from discontinued operations	**406**	4

Notes to the financial statements

for the year ended 31 December 2022

5.2 DISCONTINUED OPERATIONS *CONTINUED*

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS:

The presentation of discontinued operations includes gains or losses recognised on the sale of AMP Capital businesses and incorporates management's judgements in relation to:

- determining whether the relevant group of assets meet the held for sale classification, including judgements applied in estimating the likely satisfaction of key condition precedents and estimating the timeframe transactions will complete within from the balance date,
- determining the fair value of the assets and liabilities held for sale, including the related impairment considerations, and
- assumptions used to estimate purchase price adjustments, earn-outs, the allocation of goodwill, provisions for directly attributable separation costs yet to be incurred, warranties and indemnities under sale agreements and potential onerous contracts resulting from the separation.

5.3 INVESTMENTS IN ASSOCIATES

Investments in associates accounted for using the equity method:

			Ownership interest		Carrying amount [1]	
Associate	**Principal activity**	**Place of business**	**2022 %**	**2021 %**	**2022 $m**	**2021 $m**
China Life Pension Company [2]	Pension Company	China	**19.99**	19.99	**447**	416
China Life AMP Asset Management Company Ltd [3]	Investment Management	China	**14.97**	14.97	**81**	74
Global Infrastructure Fund Sponsor [4]	Fund	Cayman Island	**–**	4.74	**–**	71
Global Infrastructure Fund II [4]	Fund	Cayman Island	**–**	2.81	**–**	119
AMP Capital Infrastructure Debt Fund IV USD LP [5]	Fund	Luxembourg	**–**	1.25	**–**	64
ACRT Finance Pty Limited [6]	Investment Management	Australia	**–**	7.72	**–**	106
PCCP, LLC (Pacific Coast Capital Partners)	Investment Management	United States	**23.87**	24.90	**170**	157
Other			**n/a**	n/a	**73**	83
Total investments in associates					**771**	1,090

1 The carrying amount is after recognising $80m (2021: $66m) share of current period profit or loss from its associates accounted for using the equity method.
2 AMP's 31 December 2021 financial report was qualified with respect to the external auditor's ability to obtain sufficient, appropriate, third-party audit evidence about AMP's share of the net income and consequently the carrying amount of its investment in China Life Pension Company (CLPC) for the year ended 31 December 2021. On 23 March 2022, subsequent to the issuance of AMP's 31 December 2021 financial report, CLPC's audited financial statements were issued which evidenced that AMP's share of CLPC's net income for the year ended 31 December 2021 and consequently the carrying amount of AMP's investment in CLPC at that date were supported.
3 The AMP group has significant influence through representation on the entity's board.
4 Global Infrastructure Fund Sponsor and Global Infrastructure Fund II are classified as assets held for sale as at 31 December 2022.
5 This fund has been reclassified to investments in managed investments schemes as AMP no longer has significant influence following the sale of the infrastructure debt platform.
6 ACRT Finance Pty Limited was sold on 9 December 2022.

5.3 INVESTMENTS IN ASSOCIATES *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Investments in associates

Investments in entities over which the AMP group has the ability to exercise significant influence, but not control, are accounted for using the equity method of accounting. The investment is measured at cost plus post-acquisition changes in the AMP group's share of the associates' net assets, less any impairment in value. The AMP group's share of profit or loss of associates is included in the Consolidated income statement. Any dividend or distribution received from associates is accounted for as a reduction in carrying value of the associate.

Any impairment is recognised in the Consolidated income statement when there is objective evidence a loss has been incurred. It is measured as the amount by which the carrying amount of the investment in entities exceeds the recoverable amount.

5.4 PARENT ENTITY INFORMATION

(a) Statement of comprehensive income – AMP Limited entity

	2022 $m	2021 $m
Dividends and distributions from controlled entities and net gains or losses on financial assets[1]	**27**	185
Interest revenue	**1**	–
Service fee revenue	**5**	14
Share of profit from associates accounted for using the equity method	**47**	52
Other income	**87**	–
Operating expenses	**(9)**	(109)
Impairment of investments in controlled entities	**(100)**	(450)
Finance costs	**(36)**	(37)
Income tax credit[2]	**76**	43
Profit/(Loss) for the year	**98**	(302)
Total comprehensive income/(loss) for the year	**98**	(302)

1 Dividends and distributions from controlled entities $13m (2021: $169m) is not assessable for tax purposes.
2 Income tax credit includes $nil (2021: $nil) utilisation of previously unrecognised tax losses.

Notes to the financial statements

for the year ended 31 December 2022

5.4 PARENT ENTITY INFORMATION *CONTINUED*

(b) Statement of financial position – AMP Limited entity

	2022 $m	2021 $m
Current assets		
Cash and cash equivalents	**1**	64
Receivables and prepayments [1]	**172**	160
Current tax assets	**69**	201
Loans and advances to subsidiaries	**350**	–
Investments in other financial assets	**65**	63
Non-current assets		
Investments in controlled entities	**4,909**	5,359
Investments in associates	**457**	427
Loans and advances to subsidiaries	**500**	500
Deferred tax assets [2]	**289**	177
Total assets	**6,812**	6,951
Current liabilities		
Payables [1]	**874**	1,129
Interest-bearing liabilities	**632**	–
Current tax liabilities	**58**	66
Provisions	**2**	90
Other financial liabilities	**3**	–
Subordinated debt [3]	**252**	250
Non-current liabilities		
Subordinated debt [3]	**272**	523
Deferred tax liabilities	**–**	–
Total liabilities	**2,093**	2,058
Net assets	**4,719**	4,893
Equity – AMP Limited entity		
Contributed equity	**5,008**	10,206
Share-based payment reserve	**29**	32
Other reserve	**12**	14
Retained earnings [4]	**(330)**	(5,359)
Total equity	**4,719**	4,893

1 Receivables and payables include tax-related amounts receivable from subsidiaries $168m (2021: $155m) and payable to subsidiaries $434m (2021: $614m).
2 Deferred tax assets include amounts recognised for losses available for offset against future taxable income $nil (2021: $nil).
3 The AMP Limited entity is the issuer of AMP Capital Notes 2 and AMP Notes 3. Further information on these is provided in note 3.2.
4 Changes in retained earnings comprise $98m profit (2021: $302m loss) for the year less share capital reduction of $4,931m pursuant to section 258F of the *Corporations Act 2001*.

(c) Contingent liabilities of the AMP Limited entity

The AMP Limited entity has entered into deeds to provide capital maintenance and liquidity support to AMP Bank Limited. At the reporting date, the likelihood of any outflow in settlement of these obligations is considered remote.

5.5 RELATED PARTY DISCLOSURES

(a) Key management personnel

Compensation of key management personnel

	2022 $'000	2021 $'000
Short-term benefits	**10,069**	12,671
Post-employment benefits	**378**	339
Share-based payments	**3,577**	11,947
Other long-term benefits	**55**	217
Termination benefits	**291**	2,777
Total	**14,370**	27,951

Compensation of the group's key management personnel includes salaries, non-cash benefits and contributions to the post-employment benefits. Executive officers also participate in share-based incentive programs (refer to note 4.2). The amounts disclosed in the table are recognised as an expense during the reporting period.

Loans to key management personnel

Loans to key management personnel and their related parties are provided by AMP Bank and are on similar terms and conditions generally available to other employees within the group. No guarantees are given or received in relation to these loans. Loans have been made to four key management personnel and their related parties. Details of these loans are:

	2022 $'000	2021 $'000
Balance as at the beginning of the year	**3,605**	3,751
Net advances	**560**	1,474
Balance as at the end of the year	**4,165**	5,225
Interest charged	**114**	69

Key management personnel access to AMP's products

From time to time, key management personnel or their related entities may have had access to certain AMP products and services such as investment products, personal banking and financial investment services. These products and services are offered to key management personnel on the same terms and conditions as those entered into by other group employees or customers.

Notes to the financial statements

for the year ended 31 December 2022

5.5 RELATED PARTY DISCLOSURES *CONTINUED*

(b) Transactions with related parties

Transactions with non-executive directors

Some of the non-executive directors hold directorships or positions in other companies or organisations. AMP may provide or receive services from these companies or organisations negotiated based on arm's length terms. None of the non-executive directors were, or are, involved in any procurement or board decision making regarding the companies or organisations with which they have an association.

Transactions with other associates

The group provides investment management and banking services under general service level agreements with other associates as well as support to financial advice practices.

Dividends were received from associates.

Transactions with investment entities

In conjunction with the establishment of new investment funds managed by AMP Capital or other group associates, the group, from time to time, invests seed and sponsor capital. The structure of the fund or the group's level of ownership may result in the fund being treated as an associate of the group. See note 5.3 for details of the group's associates. Management fees are earned by AMP or its associates for managing and administering these investment funds.

All transactions between the group, its associates and the funds are on an arm's length basis.

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Short-term benefits – Liabilities arising in respect of salaries and wages and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts.

Post-employment benefits – Defined contribution funds – The contributions paid and payable by the AMP group to defined contributions funds are recognised in the Consolidated income statement as an operating expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments – Refer to note 4.2.

Other long-term benefits – Other employee entitlements are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, discount rates are determined with reference to market yields at the end of the reporting period on high quality corporate bonds or, in countries where there is no deep market in such bonds, by using market yields at the end of the period on government bonds.

6 SECTION OTHER DISCLOSURES

This section includes disclosures other than those covered in the previous sections required for the AMP group to comply with the accounting standards and pronouncements.

6.1 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash flow from operating activities

	2022 $m	2021 $m
Net profit/(loss) after income tax	**387**	(254)
Depreciation of operating assets	**57**	62
Amortisation and impairment of intangibles	**52**	227
Investment gains	**(466)**	(187)
Dividend and distribution income received	**71**	121
Share-based payments	**(16)**	14
Decrease in receivables, intangibles and other assets	**60**	174
Decrease in guarantee liabilities	**(21)**	(66)
Increase/(Decrease) in income tax balances	**88**	(18)
Increase in deposits, other payables and provisions	**2,354**	1,605
Net cash provided by operating activities	**2,566**	1,678

(b) Reconciliation of cash

	2022 $m	2021 $m
Comprises:		
Cash and cash equivalents	**1,816**	2,916
Cash included in assets held for sale	**215**	21
Short-term bills and notes (included in Debt securities)	**133**	107
Cash and cash equivalents for the purpose of the Statement of cash flows	**2,164**	3,044

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Cash and cash equivalents

Cash and cash equivalents comprise cash-on-hand that is available on demand and deposits that are held at call with financial institutions. Cash and cash equivalents are measured at fair value, being the principal amount. For the purpose of the Consolidated statement of cash flows, Cash and cash equivalents also include other highly liquid investments not subject to significant risk of change in value, with short periods to maturity, net of outstanding bank overdrafts. Bank overdrafts are shown within Interest-bearing liabilities in the Consolidated statement of financial position.

Notes to the financial statements

for the year ended 31 December 2022

6.2 COMMITMENTS

(a) Investment commitments

At 31 December 2022, AMP Capital Finance Limited, a controlled entity of AMP Limited, had uncalled investment commitments of $81m (2021: $452m) in relation to certain funds managed by AMP Capital. Subsequent to the reporting date, $nil of this committed capital was invested by AMP Capital Finance Limited into AMP Capital managed funds. These investment commitments will only be called when suitable investment opportunities arise, and the exact timeline remain unspecified. On 3 February 2023, investment commitments of $55m were transferred to DigitalBridge (DB) with the completion of the sale transaction to DB.

(b) AMP Bank credit-related commitments

At 31 December 2022, AMP Bank had credit-related commitments of $3,464m (2021: $3,702m), which include undrawn balances on customer approved limits as well as loan offers pending signing by customers and signed loan contracts pending settlement. The bank expects that not all of the credit-related commitments will be drawn before their contractual expiry.

6.3 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The AMP group adopted AASB 16 *Leases* (AASB 16) from 1 January 2019. Per AASB 16, the group recognises leases on balance sheet as lease liabilities except for short-term leases and leases of low value, with corresponding right of use assets being recognised on balance sheet as well.

(a) Right of use assets

The main type of ROU asset recognised by the group is buildings. The following table details the carrying amount of the ROU assets at 31 December 2022 and the movements during the year.

	2022 $m	2021 $m
Balance at the beginning of the year	**96**	174
Additions [1]	**469**	1
Derecognitions and transfers to sublease receivables [2]	**(90)**	(21)
Impairment expense	**(30)**	(12)
Depreciation expense	**(47)**	(45)
Foreign currency exchange rate changes and other	**1**	2
Transferred to assets held for sale	**(3)**	(3)
Balance at the end of the year	**396**	96

1 The additions primarily represent the commencement of AMP's Quay Quarter Tower (QQT) lease offset by $58m of onerous lease provisions recognised during 2021.
2 This includes a sublease receivable of $60m transferred to receivables as disclosed in note 2.5.

(b) Lease liabilities

The following table details the carrying amount of lease liabilities at 31 December 2022 and the movements during the year.

	2022 $m	2021 $m
Balance at the beginning of the year	**135**	211
Additions [1]	**517**	–
Derecognitions	**(40)**	(26)
Interest expense	**25**	7
Payments made	**(65)**	(56)
Foreign currency exchange rate changes and other	**–**	2
Transferred to liabilities held for sale	**(3)**	(3)
Balance at the end of the year	**569**	135

1 Additions during the period are primarily related to Quay Quarter Tower lease agreement.

The AMP group paid $8m (2021: $4m) in relation to short-term leases and $nil (2021: $nil) in relation to variable lease payments. The total cash outflow for leases in 2022 was $73m (2021: $60m).

6.3 RIGHT OF USE ASSETS AND LEASE LIABILITIES *CONTINUED*

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

At inception, the AMP group assesses whether a contract is or contains a lease. Such assessment involves the application of judgement as to whether:

- the contract involves the use of an identified asset;
- the group obtains substantially all the economic benefits from the asset; and
- the group has the right to direct the use of the asset.

It is AMP's policy to separate non-lease components when recognising the lease liability.

The group recognises a Right of Use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured as the present value of future lease payments, plus initial direct costs and restoration costs of the underlying asset, less any lease incentives received. The ROU asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. The ROU asset is tested for impairment if there is an indicator, and is adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of future lease payments discounted using the group's incremental borrowing rate. Lease payments generally include fixed payments and variable payments that depend on an index, eg CPI. A lease liability is remeasured when there is a change in future lease payments from a change in an index, or if the group's assessment of whether an option will be exercised changes.

Interest expense on lease liabilities is recognised within finance costs in the Consolidated income statement.

The group has elected not to recognise ROU assets and lease liabilities for leases where the lease term is less than or equal to 12 months. Payments for such leases are recognised as an expense on a straight-line basis over the lease term.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group recognises lease liabilities and corresponding ROU assets for all leases where the group is a lessee, except for short-term leases and leases where the underlying asset is of low value. Management applies judgement in identifying and measuring lease liabilities and assessing impairment indicators for ROU assets which includes:

- assessing whether a contract contains a lease;
- determining lease term and incremental borrowing rate;
- separating lease and non-lease components;
- assessing lease modification vis-a-vis new lease;
- assessing the usage of ROU assets and the associated benefits.

Notes to the financial statements

for the year ended 31 December 2022

6.4 PROVISIONS AND CONTINGENT LIABILITIES

	2022 $m	2021 $m
(a) Provisions		
Client remediation	**14**	87
Buyback arrangements	**7**	20
Compliance and regulatory[1]	**41**	57
Obligations relating to corporate reorganisation	**91**	138
Other[2]	**144**	286
Total provisions	**297**	588

	Client remediation $m	Buyback arrangements $m	Compliance and regulatory[1] $m	Obligations relating to corporate reorganisation $m	Other[2] $m	Total $m
(b) Movements in provisions						
Balance at the beginning of the year	87	20	57	138	286	588
Additional provisions made/(released) during the year	9	(8)	84	40	(84)	41
Provisions used during the year	(82)	(5)	(100)	(84)	(58)	(329)
Transferred to liabilities held for sale	–	–	–	(3)	–	(3)
Balance at the end of the year	**14**	**7**	**41**	**91**	**144**	**297**

1 Includes provisions related to APRA enforceable undertaking.

2 Other provisions include provisions for onerous lease arrangements, deferred payments relating to purchase of client registers, make-good provisions relating to rental premises and other operational provisions. $nil (2021:$8m) is expected to be settled more than 12 months from the reporting date.

ACCOUNTING POLICY – RECOGNITION AND MEASUREMENT

Provisions

Provisions are recognised when:

- the AMP group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. For provisions other than employee entitlements, the discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

A contingent liability is disclosed where a legal or constructive obligation is possible, but not probable; or where the obligation is probable but the financial impact of the event is unable to be reliably estimated.

From time to time the AMP group may incur obligations or suffer financial loss arising from litigation or contracts entered into in the normal course of business, including guarantees issued for performance obligations of controlled entities in the AMP group. Legal proceedings threatened against AMP may also, if filed, result in AMP incurring obligations or suffering financial loss. A contingent liability exists in relation to actual and likely potential legal proceedings.

Where it is determined that the disclosure of information in relation to a contingent liability can be expected to adversely prejudice the position of the AMP group (or its insurers) in a dispute, accounting standards allow AMP to not disclose such information. It is AMP's policy that such information is not disclosed in this note.

6.4 PROVISIONS AND CONTINGENT LIABILITIES *CONTINUED*

Industry and regulatory compliance investigations

AMP is subject to review from time to time by regulators, both in Australia and offshore. In Australia, AMP's principal regulators are APRA, ASIC, AUSTRAC and the ATO, although other government agencies may have jurisdiction depending on the circumstances. The reviews and investigations conducted by regulators may be industry-wide or specific to AMP and the outcomes of those reviews and investigations can vary and may lead, for example, to the imposition of penalties, disagreement with management's position on judgemental matters including provisions and tax positions, variations or restrictions to licences, the compensation of clients, enforceable undertakings or recommendations and directions for AMP to enhance its control framework, governance and systems.

AMP regularly undertakes internal reviews, as part of ongoing monitoring and supervision activities, to determine, amongst other things, where clients or other stakeholders, including employees, may have been disadvantaged. In some instances, compensation has been paid and where the results of our reviews have reached the point that compensation is likely and can be reliably estimated then a provision has been raised. These provisions are judgemental and the actual compensation could vary from the amounts provided.

Litigation

SHAREHOLDER CLASS ACTIONS

During May and June 2018, AMP Limited was served with five competing shareholder class actions; one filed in the Supreme Court of NSW and the others filed in the Federal Court of Australia. The actions follow the financial advice hearing block in the Royal Commission in April 2018 and allege breaches by AMP Limited of its continuous disclosure obligations. Each action is on behalf of shareholders who acquired an interest in AMP Limited shares over a specified time period. Subsequently, the four proceedings commenced in the Federal Court of Australia were transferred to the Supreme Court of NSW. The Supreme Court of NSW determined that a consolidated class action (of two of the class actions) should continue, and the other three proceedings were permanently stayed. Following various appeals (including to the High Court of Australia), the consolidated class action continues. AMP Limited has filed its defence to the proceedings. The claims are yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of these claims, if any, upon AMP. AMP is defending these actions.

SUPERANNUATION CLASS ACTIONS

During May and June 2019, certain subsidiaries of AMP Limited, namely, N.M. Superannuation Proprietary Limited (NM Super), AMP Superannuation Limited (AMP Super), NMMT Limited and AMP Services Limited (AMP Services), were served with two class actions in the Federal Court of Australia. The first of those class actions relates to the fees charged to members of certain of AMP superannuation funds. The second of those actions relates to the fees charged to members, and interest rates received and fees charged on cash-only fund options. The two proceedings were brought on behalf of certain superannuation clients and their beneficiaries. Subsequently, the Federal Court ordered that the two proceedings be consolidated into one class action. The AMP respondents have filed defences to the proceedings. The claims are yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of these claims, if any, upon AMP. The proceedings are being defended.

FINANCIAL ADVISER CLASS ACTION

In July 2020, a subsidiary of AMP Limited, namely, AMP Financial Planning Pty Limited (AMPFP), was served with a class action in the Federal Court of Australia. The proceeding is brought on behalf of certain financial advisers who are or have been authorised by AMPFP. The claim relates to changes made by AMPFP to its Buyer of Last Resort policy in 2019. The claim is yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of this claim, if any, upon AMP. AMPFP has filed its defence to the proceedings, and AMPFP is confident in the actions it took in 2019 and is defending the proceeding accordingly. The trial of the proceeding was held during the course of October and November 2022, and the Court has reserved its decision.

COMMISSIONS FOR ADVICE AND INSURANCE ADVICE CLASS ACTION

In July 2020, certain subsidiaries of AMP Limited, namely, AMPFP and Hillross Financial Services Limited (Hillross), were served with a class action in the Federal Court of Australia. The class action related to advice provided by some aligned financial advisers in respect of certain life and other insurance products. Subsequently, in August 2020, AMP Limited, and certain subsidiaries of AMP Limited, namely, AMPFP, Hillross and Charter Financial Planning Limited (Charter), were served with a class action in the Federal Court of Australia. The class action primarily related to the payment of commissions to some aligned financial advisers in respect of certain life insurance and other products and in respect of allegations of charging of fees where advice services were not provided. In December 2020, the Federal Court ordered that these two class actions be consolidated. The AMP respondents have filed a defence to the proceedings. The claim is yet to be quantified and participation has not been determined. Currently, it is not possible to determine the ultimate impact of this claim, if any, upon AMP. The proceedings are being defended.

Notes to the financial statements

for the year ended 31 December 2022

6.4 PROVISIONS AND CONTINGENT LIABILITIES *CONTINUED*

ASIC CIVIL PENALTY PROCEEDINGS IN RESPECT OF DECEASED CUSTOMERS

Certain subsidiaries of AMP Limited, namely, AMPFP, NM Super, AMP Super and AMP Services, are the subject of proceedings brought by ASIC on 26 May 2021. The proceedings allege contraventions of the *Corporations Act 2001* (Cth) (Corporations Act) and the *Australian Securities and Investments Commission Act 2001* (Cth) (ASIC Act) relating to the alleged charging and retention of insurance premiums and advice service fees following the death of members of superannuation funds in the period between 26 May 2015 and 31 August 2019. ASIC's claim is in respect of 2,069 deceased members affected by the retention of premiums, and 27 deceased members affected by the retention of advice fees. AMP has completed remediation for customers identified as being affected by such instances.

ASIC is seeking declarations of contraventions of various sections of the Corporations Act and ASIC Act and orders for the payment of pecuniary penalties and other consequential orders. The AMP respondents filed a defence to the proceedings. A hearing to determine the quantum of penalties to be paid by the AMP defendants was held in December 2022, and the Court has reserved its decision. AMP's best estimate of the likely penalties to be paid has been provided for as at 31 December 2022. The provision is judgemental and the actual penalty could vary from the amount provided.

ADDRESSING HISTORICAL MATTERS THROUGH REGULATOR ACTIONS

AMP has been working through a number of historical matters raised at the Royal Commission and elsewhere, and since 2018, has been taking action to strengthen assurance and operational controls, accountability and processes, improve compliance and risk management, and remediate impacted customers.

In 2021, AMP's Superannuation Trustees (AMP Superannuation Limited and N.M. Superannuation Proprietary Limited) entered into an enforceable undertaking (EU) with APRA for historical matters in the Superannuation business. APRA has acknowledged that AMP has addressed and completed remediation for several matters, and at the completion of this EU, AMP envisages that all outstanding matters referred to APRA by the Financial Services Royal Commission will be concluded.

INDEMNITIES AND WARRANTIES TO RESOLUTION LIFE

Under the terms of the sale agreement for the sale of the wealth protection and mature businesses to Resolution Life Australia Pty Ltd (Resolution Life), AMP has given certain covenants, warranties and indemnities in favour of Resolution Life in connection with the transaction. Resolution Life has notified a number of potential breaches of these covenants. A breach of these covenants or warranties, or the triggering of an indemnity, may result in AMP being liable for some future payments to Resolution Life. Management's best estimate of future payments for these indemnities and warranties has been recognised within these financial statements where they can be reliably estimated. There remain other indemnities and warranties for which no provision has been recognised and a contingent liability exists should such indemnities and warranties be called upon or where actual outcomes differ from management's expectations.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The group recognises a provision where a legal or constructive obligation exists at the balance sheet date and a reliable estimate can be made of the likely outcome. Provisions are reviewed on a regular basis and adjusted for management's best estimates, however significant judgement is required to estimate likely outcomes and future cash flows.
The judgemental nature of these items means that future amounts settled may be different from those provided for.

6.5 AUDITOR'S REMUNERATION

	2022 $'000	2021 $'000
Audit services		
– Group	**2,426**	1,691
– Controlled entities	**2,455**	3,074
Audit related services		
Statutory assurance services [1]	**607**	285
Other assurance services – audit related [2]	**1,384**	1,219
Total audit related services remuneration	**6,872**	6,269
Non-audit services		
– Other assurance services – non-audit related [3]	**1,234**	1,602
– Taxation compliance services	**367**	503
– Other services [4]	**746**	1,109
Total non-audit services remuneration	**2,347**	3,214
Total auditor's remuneration [5]	**9,219**	9,483

1 Statutory assurance services relate to AFSL audits and certain APRA reporting assurance required to be performed by the statutory auditor.
2 Other assurance services – audit related primarily relate to compliance plan audits, sustainability audit, other APRA compliance reporting, derivative risk statement assurance, internal control reviews.
3 Other assurance services – non-audit related primarily relates to the services associated with the demerger and sale of AMP Capital businesses.
4 Other services include transaction support, risk management reviews, benchmarking services.
5 Total amount excludes audit related fees and non-audit fees paid or payable for Trusts and Funds not consolidated into the group. Total fees excluded are $6,320k (2021: $7,872k) of which $226k (2021: $346k) is for non-audit services.

Notes to the financial statements

for the year ended 31 December 2022

6.6 NEW ACCOUNTING STANDARDS

(a) New and amended accounting standards adopted by the AMP group

A number of new accounting standards amendments have been adopted effective 1 January 2022. These have not had a material effect on the financial position or performance of the AMP group.

(b) New accounting standards issued but not yet effective

A number of new accounting standards and amendments have been issued but are not yet effective, none of which have been early adopted by the AMP group in this financial report. These new standards and amendments, when applied in future periods, are not expected to have a material impact on the financial position or performance of the AMP group.

6.7 EVENTS OCCURRING AFTER REPORTING DATE

On 3 February 2022, AMP announced the completion of the sale of AMP Capital's international infrastructure equity business to DigitalBridge Investment Holdco, LLC.

On 16 February 2023, AMP declared a final dividend of 2.5 cents per share, representing $76m based on the number of shares outstanding as at 31 December 2022.

As at the date of this report, the directors are not aware of any other matters or circumstances other than those described in the report that have arisen since the end of the financial year that have significantly affected, or may significantly affect:

- the AMP group's operation in future years;
- the results of those operations in future years; or
- the AMP group's state of affairs in future financial years.

Directors' declaration

for the year ended 31 December 2022

In accordance with a resolution of the directors of AMP Limited, for the purposes of section 295(4) of the *Corporations Act 2001*, the directors declare that:

(a) in the opinion of the directors there are reasonable grounds to believe that AMP Limited will be able to pay its debts as and when they become due and payable;

(b) in the opinion of the directors the financial statements and the notes of the AMP Limited consolidated entity for the financial year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including section 296 (compliance with accounting standards) and section 297 (true and fair view);

(c) the notes to the financial statements of the AMP Limited consolidated entity for the financial year ended 31 December 2022 include an explicit and unreserved statement of compliance with the International Financial Reporting Standards, as set out in 'About this report – (a) Understanding the AMP financial report' section of the Notes to the financial statements; and

(d) the declarations required by section 295A of the *Corporations Act 2001* have been given to the directors.

Debra Hazelton
Chair

Alexis George
Chief Executive Officer and Managing Director

Sydney, 16 February 2023

Independent auditor's report

to the Shareholders of AMP Limited

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Report on the Financial Report for the Year Ended 31 December 2022

Qualified opinion

We have audited the financial report of AMP Limited (the Company) and its subsidiaries (collectively the Group or AMP), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended; notes to the financial statements, including a summary of significant accounting policies; and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of their financial performance for the year ended on that date; and
b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

As disclosed in section 5.3 of the notes to the financial statements, the Company's investment in China Life Pension Company (CLPC), a foreign associate accounted for using the equity method, is carried at $447 million on the consolidated statement of financial position at 31 December 2022. The Company's share of CLPC's post-tax net income of $47 million is included in the Company's income for the year then ended. We were unable to obtain sufficient appropriate evidence about the Company's share of CLPC's net income for the year and consequently the carrying amount of the Company's investment in CLPC at 31 December 2022 to the extent this share of net income is included in the carrying amount, because the financial statements of CLPC are still in the process of being audited by CLPC's auditor at the date of this report. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Our opinion on the financial report for the year ended 31 December 2021 was similarly qualified. In the audit for the year ending 31 December 2022, we were able to obtain sufficient appropriate evidence to support the Company's share of CLPC's net income that was recorded in 2021 and consequently the carrying amount of the Company's investment in CLPC as at 31 December 2021 to the extent it was impacted by this amount.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion*, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent auditor's report

to the Shareholders of AMP Limited

CREDIT PROVISIONS

Financial report reference: Section 2.1: Loans and advances, Section 3.3 Financial Risk Management

Why significant	How our audit addressed the matter

As disclosed in section 2.1, the Group has loans and advances at 31 December 2022, against which provisions for expected credit losses are required to be recorded in accordance with Australian Accounting standards.
 	
This was a key audit matter due to the value of the provisions, and the degree of judgment and estimation uncertainty associated with the provision calculation.
 	
Key areas of judgment included:
– the application of the impairment requirements of AASB 9 *Financial Instruments* within the Group's expected credit loss methodology;
– the identification of exposures with a significant deterioration in credit risk;
– assumptions used in the expected credit loss model (for exposures assessed on an individual or collective basis); and
– the incorporation of forward-looking information to reflect current and anticipated future external factors, including economic scenarios adopted and the probability weighting determined for each scenario.
	Our audit procedures included the following:
	– We assessed the methodology of the Group's expected credit loss model and its underlying methodology against the requirements of AASB 9.
	– We assessed the following for exposures evaluated on a collective basis and associated overlays:
	  – significant modelling and forward-looking macroeconomic assumptions;
	  – the basis for and data used to determine the provision at 31 December 2022; and
	  – we involved our actuarial specialists to test the mathematical accuracy of the model and to assess key assumptions.
	– We examined a sample of exposures assessed on an individual basis by:
	  – assessing the reasonableness and timeliness of internal credit quality assessments based on the borrowers' particular circumstances; and
	  – evaluating the associated provisions by assessing the reasonableness of key inputs into the calculation, with particular focus on collateral values, work out strategies and the value and timing of recoveries.
	– We also assessed the adequacy of the disclosures in the notes to the financial statements.

Independent auditor's report

to the Shareholders of AMP Limited

PROVISIONS, IMPAIRMENT & CONTINGENT LIABILITIES

Financial report reference: 6.3 Right of use assets and lease liabilities, 6.4 Provisions and contingent liabilities

Why significant	How our audit addressed the matter

As disclosed in section 6.3 and 6.4, the Group has recorded provisions, impairment charges and disclosed contingent liabilities as follows:
– provisions for client remediation and compliance matters;
– impairment of right of use assets;
– provisions for onerous lease contracts; and
– contingent liability disclosures in relation to existing class actions, ASIC civil penalty proceedings, industry and regulatory matters and indemnities and warranties to Resolution Life.
These were considered key audit matters due to the judgment required to determine reasonable estimates.
Key areas of judgment included:
– the decision as to whether to recognise a provision and/or disclose a contingent liability, including whether there was a present obligation as a result of past events and whether sufficient information existed to allow a provision to be reliably measured; and
– key assumptions used to determine provisions and impairment charges, including:
  – the estimates of compensation amounts and costs required to complete the remediation programs and
  – vacancy periods, discount rate and sub-lease rental estimate increases for onerous lease provisions and right of use impairment.
	Our audit procedures included the following:
	– We held discussions with management, reviewed Board of Directors and Board committee minutes, reviewed correspondence with regulators and attended Board Audit Committee and Board Risk and Compliance Committee meetings to understand key regulatory, compliance and legal matters.
	– We assessed the Group's key assumptions used to determine provisions and impairment charges, which included benchmarking vacancy periods and rental estimates and the assessment of the reasonableness of useful lives.
	– For those matters where the Group determined that either a present obligation as a result of a past event did not exist, or where a sufficiently reliable estimate of the amount of the obligation could not be made and for which no provisions have been recognised, we assessed the basis for the conclusions.
	– We also assessed the adequacy of the disclosures in the notes to the financial statements.

Independent auditor's report

to the Shareholders of AMP Limited

TAXATION

Financial report reference: Section 1.4: Taxes

Why significant	How our audit addressed the matter

As presented in the consolidated statement of financial position and Section 1.4, the Group has significant tax balances as at 31 December 2022, being a current tax asset of $76 million, a current tax liability of $57 million, a deferred tax asset of $556 million, and a deferred tax liability of $5 million.
 	
Due to the complexity and high level of judgment required in the following areas, we considered this to be a key audit matter:
– the tax consequences of recent changes to the entities within the AMP Limited tax consolidated group;
– estimating future taxable income and assessing the recoverability of tax losses and other deferred tax assets in future years; and
– the adequacy of provisioning and assessing the recoverability of current tax.
	Our audit procedures included the following:
	– We involved our tax specialists to assess the application of tax laws and regulations in the determination of the Group's tax balances, including the Group's assessment of the impact of entities leaving and joining the tax consolidated group on the determination of tax balances.
	– We examined the Group's deferred tax asset recoverability assessment and evaluated the reasonableness of key assumptions, including:
	  – analysing the Group's growth and other key assumptions and reviewing tax adjustments made to the Group's profit forecasts to determine future taxable income; and
	  – reviewing and assessing the Group's analysis to determine the period over which deferred tax assets attributable to tax losses are forecast to be utilised.
	– We considered management's assessment of the recoverability of current tax assets including the underlying tax principles applied and management forecasts.
	– We also assessed the adequacy of the disclosures in the notes to the financial statements.

INFORMATION TECHNOLOGY (IT) SYSTEMS AND CONTROLS OVER FINANCIAL REPORTING

Why significant	How our audit addressed the matter

– A significant part of the Group's operations and financial reporting processes are primarily reliant on IT systems for the processing and recording of a high volume of transactions.
– The group-wide IT environment is complex in terms of the scale and nature of IT systems relied upon. IT General Controls (ITGCs) support the continuous operation of the automated and other IT dependent controls within the business processes related to financial reporting. Effective ITGCs are required to ensure that IT applications process business data as expected and that changes are made in an appropriate manner.
– A fundamental component of these IT systems and controls is ensuring that risks relating to inappropriate user access management, unauthorised program changes and IT operating protocols are addressed.
– During our audit planning, we identified User Access Management including IT privileged access controls for applications that are critical to financial reporting is of a heightened risk and therefore this is considered to be a key audit matter.
	– We focused our audit procedures on those IT systems and controls that are significant to the Group's financial reporting process.
	– We involved our IT specialists to assist with audit procedures over IT systems and controls.
	– We assessed the design and tested the operating effectiveness of the Group's IT controls, including those related to user access management, change and operating management and data integrity.
	– Where we identified design and/or operating deficiencies in the IT control environment, our procedures included the following:
	  – we assessed the integrity and reliability of the systems and data related to financial reporting; and
	  – where automated procedures were supported by systems with identified deficiencies, we assessed compensating or mitigating controls that were not reliant on the IT control environment. This involved varying the nature, timing and extent of audit procedures performed.

Independent auditor's report

to the Shareholders of AMP Limited

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report other than the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report

to the Shareholders of AMP Limited

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of AMP for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Andrew Price
Partner

Sydney
16 February 2023

Securityholder information

Distribution of AMP Capital Notes 2 holdings as at 6 February 2023

Range	Number of holders	Notes held	% of issued capital
1–1,000	2,406	842,851	30.65
1,001–5,000	322	669,239	24.34
5,001–10,000	25	184,288	6.70
10,001–100,000	31	804,765	29.26
100,000 over	1	248,857	9.05
TOTAL	**2,785**	**2,750,000**	**100.00**

As at 6 February 2023, the total number of shareholders holding less than a marketable parcel of five AMP Capital Notes is three.

Twenty largest AMP Capital Notes 2 holders as at 6 February 2023

Rank	Name	Notes held	% of issued Notes
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	248,857	9.05
2	BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS DRP>	80,685	2.93
3	MUTUAL TRUST PTY LTD	66,520	2.42
4	CITICORP NOMINEES PTY LIMITED	60,314	2.19
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	56,127	2.04
6	JOHN E GILL TRADING PTY LTD	49,449	1.80
7	DELMOS PTY LTD <THE RIDGEWILL A/C>	45,475	1.65
8	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	34,557	1.26
9	BINOLA NOMINEES PTY LTD <THE DELMOS S/F A/C>	30,185	1.10
10	ELMORE SUPER PTY LTD <THE PEABODY SUPER FUND A/C>	30,000	1.09
11	SKYPLAZA INVESTMENTS PTY LTD	27,815	1.01
12	J C FAMILY INVESTMENTS PTY LIMITED <J HERRINGTON SUPER FUND A/C>	25,853	0.94
13	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	22,024	0.80
14	INVIA CUSTODIAN PTY LIMITED <A/M UNIT A/C>	21,440	0.78
15	HARMANIS HOLDINGS PTY LTD <THE HARMAN FAMILY A/C>	20,000	0.73
16	MR ISAAC COHEN + MRS ESTELLE MARY COHEN + MR DAVID PETER COHEN <COHEN FAMILY SUPER FUND A/C>	19,300	0.70
17	SOHIE INVESTMENTS PTY LTD	18,544	0.67
18	NATIONAL NOMINEES LIMITED	16,307	0.59
19	RACING VICTORIA LIMITED <CREDIT A/C>	15,500	0.56
20	VISION AUSTRALIA FOUNDATION <VISION AUSTRALIA CREDIT A/C>	15,000	0.55
TOTAL	**Top 20 holders of AMP Capital Notes 2**	903,952	32.86
Total remaining holders balance		**1,846,048**	**67.14**

Securityholder information

Substantial holders as at 6 February 2023

The names of substantial holders in AMP Limited, and the number of ordinary shares which each substantial holder and the substantial holder's associates have a relevant interest in, as disclosed in substantial holding notices received by AMP Limited before 6 February 2023, are set out below.

For details of the related bodies corporate of the substantial holders who also hold relevant interests in AMP Limited ordinary shares, refer to the substantial holding notices lodged with ASX, under the company code AMP.

Shareholder	Number of ordinary shares	Voting power %
Allan Gray Australia Pty Ltd [1]	196,978,091	6.57

1 Substantial holding as at 24 March 2020, as per notice lodged with ASX on 26 March 2020. Voting power adjusted to reflect the current number of AMP shares on issue as at 31 December 2022.

Distribution of AMP Limited shareholdings as at 6 February 2023

Range	Number of holders	Notes held	% of issued capital
1–1,000	246,207	145,911,963	4.79
1,001–5,000	175,737	354,111,240	11.64
5,001–10,000	18,036	129,028,493	4.24
10,001–100,000	14,047	334,995,731	11.01
100,000 over	695	2,079,092,599	68.32
TOTAL	**454,722**	**3,043,140,026**	**100.00**

As at 6 February 2023, the total number of shareholders holding less than a marketable parcel of 371 shares is 40,313.

Twenty largest AMP Limited shareholdings as at 6 February 2023

Rank	Name	Units	% Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	616,907,551	20.27
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	466,607,924	15.33
3	CITICORP NOMINEES PTY LIMITED	378,478,608	12.44
4	NATIONAL NOMINEES LIMITED	141,917,644	4.66
5	BNP PARIBAS NOMS PTY LTD <DRP>	108,781,330	3.57
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	27,885,560	0.92
7	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	22,629,682	0.74
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	20,488,031	0.67
9	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	14,506,715	0.48
10	MR KENNETH JOSEPH HALL <HALL PARK A/C>	10,000,000	0.33
11	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	8,331,876	0.27
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,657,996	0.22
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,620,691	0.22
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	6,307,239	0.21
15	MESTJO PTY LTD	5,910,000	0.19
16	SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	5,646,860	0.19
17	AIGLE ROYAL SUPERANNUATION PTY LTD <A POLI SUPER FUND A/C>	5,500,000	0.18
18	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	4,215,918	0.14
19	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	4,103,661	0.13
20	GLENN HARGRAVES INVESTMENTS PTY LTD	3,925,000	0.13
Total		**1,865,422,286**	**61.29**
Total remaining holders balance		**1,177,717,740**	**38.71**

Securityholder information

AMP Limited shares voting rights

The voting rights attached to AMP Limited ordinary shares are that each registered holder of shares present in person (or by proxy, attorney or representative) at a meeting of shareholders has one vote on a vote taken by a show of hands, and one vote for each fully paid share held on a vote taken by a poll.

On-market acquisitions for employee incentive schemes during the financial year ended 31 December 2022

Rights granted under the Equity Incentive Plan **as at 6 February 2023**:

- 12,006,911 share rights, of which the number of holders was 117.
- 38,129,886 performance rights, of which the number of holders was 74.
- No options were awarded in 2022.

Number of share rights on issue as at 6 February 2023

Size of holding	Number of holders	Number of share rights
1–1,000	–	–
1,001–5,000	2	7,642
5,001–10,000	61	2,423,535
10,001–100,000	22	9,268,058
100,001 and over	32	307,676
Total	**117**	**12,006,911**

Number of performance rights on issue as at 6 February 2023

Size of holding	Number of holders	Number of Performance rights
1–1,000	–	–
1,001–5,000	–	–
5,001–10,000	–	–
10,001–100,000	16	910,230
100,001 and over	58	37,219,656
Total	**74**	**38,129,886**

On-market acquisitions for employee incentive schemes during the financial year ended 31 December 2022

1,203,988 AMP Limited ordinary shares were purchased on-market to satisfy entitlements under AMP's employee incentive schemes at an average price per share of $1.062636405.

Stock exchange listings

AMP Limited's ordinary shares are quoted on the Australian Securities Exchange. AMP de-listed from the New Zealand Stock Exchange on 7 February 2022. AMP capital notes are quoted on the Australian Securities Exchange.

Restricted securities

There are no restricted securities on issue.

Buyback

There is currently a buyback in place to acquire up to 10 per cent of issued capital over a 12-month period as per ASIC guidelines. The buyback was announced on 11 August 2022 and commenced on 25 August 2022. To date, $267 million shares have been purchased – representing 6.83 per cent of issued capital.

Glossary

Contingent liabilities	A situation existing at reporting date, where past events have led to a possible obligation, the outcome of which depends on uncertain future events, or an obligation where the outcome is not sufficiently probable or reliably measurable to warrant recognising the liability at this reporting date.
Controllable costs	Costs that AMP incurs in running its business. Controllable costs include operational and project costs and exclude variable costs, provision for bad and doubtful debts and interest on corporate debt.
Corporate debt	Borrowings used to fund shareholder activities of the AMP group, including the impact of any cross-currency swaps entered into to convert the debt into A$, but excluding limited recourse debt in investment entities controlled by AMP Life policyholder funds and debt used to fund AMP Bank activities.
Cost to income ratio	Calculated as controllable costs divided by gross margin. Gross margin is calculated as total operating earnings and underlying investment income before tax expense plus controllable costs.
Cost to income ratio (AMP Bank)	Calculated as controllable costs divided by gross margin, excluding loan impairment expenses. Gross margin is calculated as total operating earnings before tax expense plus controllable costs.
Defined benefit fund	A scheme that provides a retirement benefit, usually based on salary and/or a predetermined formula for calculating that benefit. Unlike an accumulation scheme, the retirement benefit and method of calculation is known to the member at all times.
Earnings per share (EPS) (actual)	Calculated as NPAT (statutory) of AMP Limited divided by the statutory weighted average number of ordinary shares.
Earnings per share (EPS) (underlying)	Calculated as NPAT (underlying) of AMP Limited divided by the basic weighted average number of ordinary shares.
Franking rate	The amount of tax AMP has already paid on a dividend payment. This can be used as a tax credit by Australian resident shareholders. The franking rate is determined by AMP's taxable income. AMP's policy is to always frank dividends at the highest possible rate.
Incentive pool	The money used for the payment of short-term incentive (STI) rewards. The pool size varies each year depending on AMP's performance against financial and non-financial measures.
Intangibles	Represents acquired goodwill, acquired asset management mandates, capitalised costs, buyer of last resort (BOLR) assets and other assets similar to goodwill acquired upon acquisition of AXA.
Interest cover (actual)	Calculated on a rolling 12-month post-tax basis as NPAT (statutory) of AMP Limited before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.
Interest cover (underlying)	Calculated on a rolling 12-month post-tax basis as NPAT (underlying) of AMP Limited before interest expense on corporate debt for the year divided by interest expense on corporate debt for the same period.

Glossary

Investment income	The income on shareholder assets invested in income producing investment assets (as opposed to income producing operating assets) attributed to business units (including Group Office). The return on AMP Bank income producing investment assets is included in AMP Bank NPAT. Shareholder funds invested in income producing assets may be higher or lower than business unit capital due to the working capital requirements of the business unit. From first half 2021, the normalisation of expected returns on investment income through the use of a separate market adjustment has been abolished, with reported investment income now reflecting actual, rather than forecast, investment returns.
Investment performance (AMP Capital)	The percentage of AUM measured against market benchmarks as well as client goals.
Key management personnel (KMP)	The Chief Executive Officer (CEO), nominated direct reports of the CEO and the non-executive directors, who have authority and responsibility for planning, directing and controlling the activities of AMP.
Level 3 eligible capital	Comprises the highest quality components of capital for AMP Limited as the head of a Level 3 group. Level 3 eligible capital has similar characteristics to Common Equity Tier 1 capital for insurers and ADIs.
Long-term incentive (LTI)	An executive reward for helping AMP achieve specific long-term performance targets. It is awarded in the form of share rights and/or performance rights to motivate executives to create long-term value for shareholders. A right is an entitlement to receive one AMP Limited share per right subject to meeting the vesting conditions.
Net interest margin (AMP Bank)	Net interest income over average interest earning assets.
Net Profit After Tax (NPAT)	Also referred to as NPAT (underlying), represents shareholder attributable net profit or loss after tax excluding market adjustments, accounting mismatches and non-recurring revenue and expenses.
NPAT (statutory)	Reflects the net profits (or losses) distributable to AMP Limited shareholders in a given period.
Non-executive directors (NEDs)	Board directors who are not employees of AMP (they are independent).
Operating earnings	Total operating earnings are the shareholder attributable profits or losses that relate to the performance of AMP. Operating earnings exclude investment earnings on shareholder capital and one-off items.
Performance and transaction fees (AMP Capital)	Includes performance fees revenues primarily relating to variable fees on open-ended and closed-end funds across real estate, infrastructure debt and infrastructure equity. Transaction fees comprise one-off revenues in relation to the above asset classes, particularly infrastructure debt transactions and debt advisory as well as one-off divestments. These fees are typically highly variable in nature, both in quantum and timing.
Performance right	A form of executive remuneration designed to reward long-term performance. Selected executives are granted performance rights. Each performance right is a right to acquire one AMP share after a performance period if a specific performance hurdle is met.
Practice finance loans	Business loans provided to AMP aligned financial advisers, which are secured by a General Security Agreement over the adviser's business assets, including the client servicing rights, or other assets. Commercial lending credit policy, process and rates apply to these loans.
Return on equity (RoE) (actual)	RoE (actual) is calculated as NPAT (statutory) of AMP Limited divided by the average of the monthly average shareholder equity for the period.

Glossary

RoE (underlying)	Calculated as annualised NPAT (underlying) divided by the average of the monthly average shareholder equity for the period.
Seed and sponsor revenue (AMP Capital)	Income on seed and sponsor capital assets, including normal valuation movements and net profit/loss on sales, gross of funding costs.
Share right	A share right is an entitlement to acquire one AMP share at the end of a vesting period, as long as the service conditions are met.
Short-term incentive (STI)	An executive reward for helping AMP achieve specific short-term performance targets and objectives. It is paid in the form of cash and share rights to motivate executives and drive performance during the year.
Total shareholder return (TSR)	A measure of the value returned to shareholders over a period of time. It takes into account the changes in market value of AMP shares, plus the value of any dividends paid and capital returns on the shares.
Underlying profit	AMP's key measure of business profitability, as it smooths investment market volatility stemming from shareholder assets invested in investment markets and aims to reflect the trends in the underlying business performance of the AMP group. Underlying profit excludes all items listed below the 'underlying profit' line. Other items largely comprise the net of one-off and non-recurring revenues and costs.
Variable costs	Include costs that vary directly with the level of related business (eg investment management fees and banking commissions and securitisation costs).
Vesting	Remuneration term defining the point at which the required performance hurdles and/or service requirements have been met, and a financial benefit may be realised by the recipient.

Corporate directory

Contact us

Registered office of AMP Limited

50 Bridge Street
Sydney NSW 2000
Australia
T: +612 9257 5000
W: amp.com.au

AMP Investor Relations

Level 27, 50 Bridge Street
Sydney NSW 2000
Australia
T: 1800 245 500 (Aus)
T: 0800 440 195 (NZ)
T: +612 8364 6053 (other countries)
E: shares@amp.com.au
W: amp.com.au/shares

AMP products and policies

Australia
T: 131 267
E: askamp@amp.com.au

New Zealand
T: 0800 808 267
E: service@amp.co.nz

International
T: +612 8048 8162

AMP share registry

Australia

AMP share registry
Reply Paid 2980
Melbourne VIC 8060
T: 1300 654 442

New Zealand

AMP share registry
PO Box 91543
Victoria Street West
Auckland 1142
T: 0800 448 062

Other countries

AMP share registry
GPO Box 2980
Melbourne VIC 3001
Australia
T: +613 9415 4051

E: ampservices@computershare.com.au
AMP is incorporated and domiciled in Australia

Our corporate reporting suite

AMP's 2022 Annual report summarises our activities and performance for the financial year ended 31 December 2022. It provides a snapshot of AMP's strategy and operations across all areas of the business. This report forms part of AMP's annual reporting suite, which brings together financial, non-financial and sustainability reports for the year.

2022 Sustainability report

Download Report

2022 Modern slavery statement

Download Report

2022 Corporate governance statement

Download Report

These reports and AMP's Corporate governance statement are available to download on the Group's website corporate.amp.com.au/shareholder-centre/results-reporting/reports.

Design communication and production by ARMSTRONG
Armstrong.Studio

amp.com.au

@AMP_AU or @ampfoundation

facebook.com/AMPaustralia

linkedin.com/company/amp

AMP Limited ABN 49 079 354 519
Unless otherwise specified, all amounts
are in Australian dollars.